

OCTOBER 2022 FINANCE/AUDIT COMMITTEE MEETING
Wednesday 12th at 6:30 PM.

NEW BUSINESS

- 1 – Comptroller's Update
- 2 - Pennrose NY Developer LLC PILOT - Mayor Noble
- 3 - Washington Ave. Sewer District Agreement - Mayor Noble
- 4 - ARP Grant Guidelines - J. Tuey

OLD BUSINESS

- 1 – Resolution 189 of 2022- Policy for disposition of surplus city-owned property acquired through the tax foreclosure process
- 2 – Resolution 192 of 2022- Approving the transfer of 623-629 Delaware Ave. to POK Beacon, LLC.

2

CITY OF KINGSTON
Office of the Mayor
mayor@kingston-ny.gov

F-1A

Steven T. Noble
Mayor



September 30th, 2022

Honorable Andrea Shaut
President of the Common Council
Kingston City Hall
420 Broadway
Kingston, New York 12401

Dear President Shaut,

My office has received the attached correspondence from Pennrose NY Developer, LLC. I am forwarding the document to Common Council for your review. Pennrose LLC has expressed interest in presenting their project and the Pilot to the Finance Committee.

Respectfully submitted,

Steven T. Noble
Mayor

PENROSE

Bricks & Mortar | Heart & Soul

VIA ELECTRONIC DELIVERY

September 27, 2022

Mayor Noble
City Hall
420 Broadway
Kingston, NY 12401

RE: Golden Hill Apartments Request for Article XI Real Property Tax Exemption

Dear Mayor Noble,

I am writing as a follow up to our discussions in recent months regarding the proposed PILOT for Golden Hill (the, "Project"). The Golden Hill mixed-use project envisions a comprehensive approach to the transformation of the former site of the Ulster County Jail. The vision for Project includes delivery on Ulster County's Green New Deal initiatives and providing new intergenerational mixed-income housing opportunities for the Hudson Valley region. Since commencing public community engagement in July 2021, Pennrose has actively worked with the Ulster County Housing Development Corporation (UCHDC), the County of Ulster, the City of Kingston, Family of Woodstock, elected officials, local community-based organizations, and residents to craft a unified vision in support of the City of Kingston's 2025 Comprehensive Plan, and to promote the community's diverse needs and nurture residents for generations to come.

The fruition of those efforts is a 100% affordable, 164-unit mixed-use community that will provide housing for seniors, families, and special needs populations. Jointly, Pennrose and its non-profit joint venture partner, Family of Woodstock, are working alongside the County of Ulster to demolish the old Jail building and develop this new neighborhood. The property has been designed with input from community members and is envisioned to be net-zero energy property with integrated renewable energy generation. Residents will enjoy an inviting community center, a fitness center, a new childcare center operated by Family of Woodstock, programmed open space, and a trail connection to the Empire State trail network

To meet these goals, Pennrose respectfully requests consideration of a real property tax abatement pursuant to Article XI of the New York Private Housing Finance Law ("Article XI"). Under Article XI, a complete or partial Payment In Lieu of Taxes ("PILOT") can be authorized to an affordable housing project in order to ensure its ongoing financial viability during the term of its regulatory agreement. The terms of the requested PILOT, which are more fully described in the draft resolution attached herewith as **Exhibit A** and a draft form of PILOT agreement enclosed as **Exhibit B**, would include:

- i. Annual taxes beginning in the first calendar year following 100% occupancy of \$350 per dwelling unit per year, with the possibility of increasing to \$619 per unit per year in the event that the

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- project is competitively awarded eight (8) Project-based Section 8 Vouchers from New York State Homes and Community Renewal ("HCR");
- ii. Escalation of 2.00% per year;
 - iii. A term of 40 years, coinciding with the period of the affordable housing regulatory agreement to be recorded against the property by HCR at the time of construction finance closing; and,
 - iv. Profit sharing by the City in the amount of 6.00% of Surplus Cash Flow from annual property operations.

In support of the ongoing consideration of the PILOT requested herein, please find the Project's financial projections included hereunder as **Exhibit C**.

The Development Team is committed to making a substantial positive impact for the City of Kingston. In addition to ongoing PILOT payments, the Project will provide greater than \$1 Million in revenue to the City of Kingston via an investment into the City's Recreation Trust Fund of \$480,000, and upfront PILOT fee of \$250,000, Building and Planning Department fees and various other payments. The project will ensure that 20% of the dollar value of covered construction contracts, and 50% of the aggregate number of new construction hires comes from local workers and businesses. The Kingston School District has reviewed the project and determined it will not have an adverse impact on the District's capacity. Lastly, the Development Team is committed to installing the improvements required by the Planning Board including the emergency gate at Glen Street, the traffic signal at the intersection of State Route 32 and Golden Hill Drive, and the property's stormwater management system prior to issuance of a Certificate of Occupancy.

We thank the City of Kingston for its continued support of the Project and consideration of this proposal.

Sincerely,

PENNROSE NY DEVELOPER, LLC



Dylan Salmons
Regional Vice President

Exhibit A – Common Council Resolution



RESOLUTION NUMBER ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KINGSTON
AUTHORIZING THE EXECUTION OF A PAYMENT-IN-LIEU OF TAX ("PILOT")
AGREEMENT BY AND AMONG THE CITY OF KINGSTON, GOLDEN HILL
HOUSING DEVELOPMENT FUND CORPORATION AND GOLDEN HILL OWNER
LLC**

WHEREAS, the City of Kingston (the "City") desires to encourage a sufficient supply of adequate, safe and sanitary dwelling accommodations properly planned for persons with low income; and

WHEREAS, Golden Hill Housing Development Fund Corporation (the "HDFC"), a to-be-formed New York not-for-profit corporation to be sponsored by the Family of Woodstock, Inc. and established pursuant to Article XI of the New York Private Housing Finance Law (the "PHFL"), and Golden Hill Owner LLC (the "LLC"), a New York limited liability company, have identified property located at [] Golden Hill Drive (Tax Identification Number 56.40-1-19.300 Lot 3A), City of Kingston, County of Ulster, State of New York, as described on Exhibit A attached hereto and made a part hereof (the "Land"), which Land and improvements thereon are now commonly known as the Old Jail site, for the purpose of redeveloping a housing project for persons of low income, said project to consist of: (i) the acquisition of leasehold title to the Land; and (ii) the construction of several new, highly efficient buildings containing 164 units of housing for persons of low income and related improvements to be known as Golden Hill (the "Project"); and

WHEREAS, the LLC and the HDFC have been, or will be, formed for the purpose of providing residential rental accommodations for families and persons of low income; and

WHEREAS, the HDFC will acquire fee title to the Land, as nominee for the LLC, and will convey its equitable and beneficial interests in the Land to the LLC in furtherance of the development of the Project; and

WHEREAS, the HDFC's and the LLC's plan for the use of the Land constitutes a "housing project" as that term is defined in the PHFL; and

WHEREAS, the HDFC will be organized as a "housing development fund company" as the term is defined in Section 572 of the PHFL and Section 577 of the PHFL authorizes the City Council to exempt the Project from real property taxes; and

WHEREAS, the HDFC is, or will be, on the commencement date of the PILOT Agreement contemplated herein, a member of managing member of the LLC; and

WHEREAS, the LLC and the HDFC will be willing to enter into a PILOT Agreement whereby they will make annual payments in lieu of taxes to the City, for the benefit of the City, the County of Ulster, the Kingston City School District and all other applicable Taxing Jurisdictions as set forth in the PILOT Agreement presented to the City Council for approval;

NOW THEREFORE, BE IT RESOLVED that the City Council hereby exempts the Project from real property taxes to the extent authorized by Section 577 of the PHFL and approves the proposed PILOT Agreement by and among the City (on behalf of itself and all other Taxing Jurisdictions), the LLC and the HDfC, in substantially the form presented at this meeting, providing for annual payments as set forth in such agreement; and it is

FURTHER RESOLVED, that the Mayor of the City is hereby authorized to execute and deliver the foregoing PILOT Agreement on behalf of the City; and it is

FURTHER RESOLVED, that this resolution shall take effect immediately.

Approved as to form, _____, 2022

Barbara Graves-Poller, Esq., Corporation Counsel

Duly adopted by the City Council
on the ____ day of _____, 2022.

Approved: _____
Veto: _____
Not Endorsed: _____

CERTIFICATION

The undersigned, being the duly elected Clerk of the City of Kingston, hereby certifies that the attached is a true, correct and complete copy of certain resolutions unanimously adopted by the City Council of the City of Kingston on _____, 2022 and such resolutions have not been modified, amended or repealed and are in full force and effect as of the date hereof.

Name:
Title:

EXHIBIT A

Description of the Land

Exhibit B – PILOT Agreement



**AGREEMENT FOR PAYMENT IN LIEU OF TAXES (PILOT)
BY AND AMONG THE CITY OF KINGSTON, GOLDEN HILL HOUSING
DEVELOPMENT FUND CORPORATION AND GOLDEN HILL OWNER LLC**

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES (the "Agreement"), dated _____, 2022, by and among the **CITY OF KINGSTON, NEW YORK**, a New York incorporated municipality, having its principal office located at 420 Broadway, Kingston, New York 12401 (the "City"), **GOLDEN HILL HOUSING DEVELOPMENT FUND CORPORATION**, a to-be-formed New York not-for-profit corporation formed pursuant to Article XI of the Private Housing Finance Law of the State of New York (the "PHFL"), having its principal office located at c/o Family of Woodstock, Inc. 31 Albany Avenue Kingston, NY 12401 (the "HDFC"), which HDFC will hold title to the Property (as hereinafter defined) for the benefit of **GOLDEN HILL OWNER LLC**, a New York limited liability company, having its principal office located at 230 Wyoming Avenue, Kingston, Pennsylvania 18704 (the "LLC").

WHEREAS, the HDFC is, or will become, the nominal fee owner, and the LLC is, or will become, the beneficial and equitable owner, of certain real property located in the City of Kingston, County of Ulster, State of New York, as more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the HDFC is a not-for-profit corporation established pursuant to Section 402 of the Not-For-Profit Corporation Law and Article XI of the PHFL; and

WHEREAS, the LLC has been, and the HDFC has been or will be, formed for the purpose of providing residential rental accommodations for persons of low-income; and

WHEREAS, the LLC will develop, own, rehabilitate, construct, maintain and operate a housing project for persons of low income at the Property, anticipated to consist of 164 residential rental units for persons of low income and related improvements to be known as Golden Hill (the "Project"); and

WHEREAS, the HDFC's and the LLC's plan for the use of the Property constitutes a "housing project" as that term is defined in the PHFL; and

WHEREAS, the HDFC is, or will be, a "housing development fund company" as the term is defined in Section 572 of the PHFL; and

WHEREAS, pursuant to PHFL Section 577, the local legislative body of a municipality may exempt the real property of a housing project of a housing development fund company from local and municipal taxes, including school taxes, other than assessments for local improvements, to the extent of all or a part of the value of the property included in the completed project; and

WHEREAS, the City Council of the City of Kingston, New York, by Resolution No. _____ adopted _____, 2022, approved and authorized the execution of this Agreement; [CONFIRM THE TAXING JURISDICTION]

NOW, THEREFORE, it is agreed as follows:

1. Pursuant to Section 577 of the PHFL, the City, on behalf of itself, the County, the School District and any other applicable Taxing Jurisdictions (as defined herein) hereby exempts

from local and municipal taxes, other than assessments for local improvements, one hundred percent (100%) of the value of the Property, including both the land and the improvements included in the Project. "Local and Municipal Taxes" shall mean any and all real estate taxes levied by Ulster County ("County"), the City of Kingston ("City"), the Kingston City School District ("School District") or other affected taxing jurisdiction (as defined in Subdivision 1(b) of Section 577 of the PHFL) which has jurisdiction over the Property (collectively, the "Taxing Jurisdictions"), and intending to bind the applicable Taxing Jurisdictions to the fullest extent provided under Section 577 of the PHFL.

2. This tax exemption will commence on the date of the HDFC's acquisition of nominal fee title to the Property and shall continue for a period of thirty (30) years from the LLC's completion of the Project (as evidenced by the City's issuance of a certificate of occupancy for the Project) or for such longer period as the Property continues to be subject to a regulatory agreement with the New York State Housing Finance Agency. This Agreement shall not limit or restrict the HDFC's or the LLC's right to apply for or obtain any other tax exemption to which it might be entitled upon the expiration of this Agreement. The parties understand that the exemption extended pursuant to Section 577 of the PHFL and this Agreement does not include exemption from special assessments and special ad valorem levies. During the period of this Agreement, the LLC shall pay any service charges, special ad valorem levies, special assessments and improvement district charges or similar tax equivalents which are or would be levied upon or with respect to the Project by the Taxing Jurisdictions or any other taxing authority.

3. Commencing in the first full year after the issuance of a certificate of occupancy for the Project, and continuing for so long as the exemption hereunder continues, the LLC shall make annual payments in lieu of taxes ("PILOT") to the City in the amount set forth in this section, which payments shall be made in satisfaction of all amounts due for and cover all Local and Municipal Taxes owed in connection with the Property and the Project, and which payments shall be shared by the Taxing Jurisdictions on the same basis as property taxes would be shared if the Property and the Project were fully taxed or as otherwise agreed to by the Taxing Jurisdictions. The PILOT shall be in the initial amount of Three Hundred Fifty and 00/100 Dollars (\$350.00) per dwelling unit per year (prorated for the year in which said certificate of occupancy is issued), which amount shall increase annually by two percent (2%).

In addition to the foregoing, the LLC will make an additional PILOT payment on an annual basis retroactively (i.e. for and based on the prior year) to the extent of Surplus Cash, if any, not to exceed six percent (6.0%) of Surplus Cash. For purposes of this Agreement, "Surplus Cash" means (a) net operating income (i.e. revenue less operating expenses) less (b)(i) all principal and debt service under project loans, (ii) deferred developer fees as reported in the annual financial statement, and (iii) proceeds from a sale, refinance or re-syndication.

4. The tax exemption provided by this Agreement will continue for the term described above provided that the Property and the Project continue to be used as housing facilities for persons of low income and (i) the HDFC and the LLC own and operate the Property and the Project in conformance with Article XI of the PHFL; or (ii) the HDFC and the LLC assume legal and beneficial fee ownership of the Property and the Project, respectively, and operate the Property and the Project in conformance with Article XI of the PHFL; or (iii) in the event an action is brought to foreclose a mortgage upon the Property, and the legal and beneficial interest in the Property and the Project shall be acquired at the foreclosure sale or from the mortgagee, or by a

conveyance in lieu of such sale, by a housing development fund corporation organized pursuant to Article XI of the PHFL, or by the Federal government or an instrumentality thereof, or by a corporation which is, or by agreement has become subject to the supervision of the superintendent of banks or the superintendent of insurance, and such successor in interest operates the Property and the Project in conformance with Article XI of the PHFL.

5. The failure to make the required payment will be treated as failure to make payment of taxes and will be governed by the same provisions of law as apply to the failure to make payment of taxes, including but not limited to enforcement and collection of taxes to the extent permitted by law.

6. All notices and other communications hereunder shall be in writing and shall be sufficiently given when delivered to the applicable address stated above (or such other address as the party to whom notice is given shall have specified to the party giving notice) by registered or certified mail, return receipt requested or by such other means as shall provide the sender with documentary evidence of such delivery.

7. This Agreement shall inure to the benefit of and shall be binding upon the City, the LLC, the HDFC and their respective successors and assigns, including the successors in interest of the LLC and the HDFC. There shall be no assignment of this Agreement except with consent of the other party, which consent shall not be unreasonably withheld.

8. If any provision of this Agreement or its application is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other persons or circumstances shall be enforced to the greatest extent permitted by law.

9. This Agreement may be executed in any number of counterparts with the same effect as if all the signing parties had signed the same document. All counterparts shall be construed together and shall constitute the same instrument.

10. This Agreement constitutes the entire agreement of the parties relating to payments in lieu of taxes with respect to the Property and supersedes all prior contracts, or agreements, whether oral or written, with respect thereto.

11. Each of the parties individually represents and warrants that the execution, delivery and performance of this Agreement, (i) has been duly authorized and does not require any other consent or approval, (ii) does not violate any article, by-law or organizational document or any law, rule, regulation, order, writ, judgment or decree by which it is bound, and (iii) will not result in or constitute a default under any indenture, credit agreement, or any other agreement or instrument to which any of them is a party. Each party represents that this Agreement shall constitute the legal, valid and binding agreement of the parties enforceable in accordance with its terms.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

13. Any litigation arising out of this agreement shall be venued in Ulster County Supreme Court or the appropriate federal district court exercising jurisdiction over Ulster County.

Signatures on following page

IN WITNESS WHEREOF, the City, the HDLC and the LLC have caused this Agreement to be executed in their respective names by their duly authorized representatives and their respective seals to be hereunder affixed, all as of the date above-written.

CITY OF KINGSTON, NEW YORK

By: _____
Name:
Title:

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the ____ day of _____ in the year 2022 before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

Signatures continue on following page.

**GOLDEN HILL HOUSING DEVELOPMENT
FUND CORPORATION**

By: _____

Name:

Title:

STATE OF NEW YORK)
)
COUNTY OF _____) SS.:

On the _____ day of _____ in the year 2022, before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

Signatures continued on following page.

GOLDEN HILL OWNER LLC,

By: Golden Hill MM LLC, its Managing Member,

By: Pennrose NY LLC, its Member,

By: Pennrose Holdings, LLC, its Managing
Member

By: _____
Name:
Title:

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the ____ day of _____ in the year 2022, before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A

Description of the Property

PENNROSE

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Exhibit C – Project Cash Flow

EFFECTIVE INCOMES		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
INCOME																
Residential	2%	2,246,199	2,291,123	2,336,945	2,383,684	2,431,358	2,479,985	2,529,585	2,580,176	2,631,780	2,684,415	2,738,104	2,792,866	2,848,723	2,905,698	2,963,812
Community Facility	2%	29,459	30,048	30,649	31,262	31,887	32,525	33,175	33,839	34,516	35,206	35,910	36,628	37,361	38,108	38,870
Total Income		2,275,658	2,321,171	2,367,594	2,414,946	2,463,245	2,512,510	2,562,760	2,614,015	2,666,296	2,719,621	2,774,014	2,829,494	2,886,084	2,943,806	3,002,682
Per du		13,876	14,153	14,437	14,725	15,020	15,320	15,627	15,939	16,258	16,583	16,915	17,253	17,598	17,950	18,309
EXPENSES																
Management Fee	2%	134,032	136,692	139,426	142,214	145,058	147,960	150,919	153,937	157,016	160,156	163,359	166,627	169,950	173,358	176,825
Administrative	3%	250,283	257,791	265,525	273,491	281,696	290,146	298,851	307,816	317,051	326,562	336,359	346,450	356,844	367,549	378,575
Utilities	3%	209,543	215,820	222,304	228,973	235,842	242,918	250,205	257,711	265,443	273,406	281,608	290,057	298,758	307,721	316,953
Repairs & Maintenance	3%	541,696	557,947	574,686	591,926	609,684	627,974	646,814	666,218	686,205	706,791	727,994	749,834	772,329	795,499	819,364
Reserves	3%	41,000	42,230	43,497	44,802	46,146	47,530	48,956	50,425	51,938	53,496	55,101	56,754	58,456	60,210	62,016
Taxes	2%	37,400	38,548	39,719	40,913	42,132	43,378	44,642	45,935	47,253	48,598	49,970	51,370	52,797	54,251	55,738
Total Expenses		1,233,934	1,269,038	1,305,156	1,342,320	1,380,558	1,419,903	1,460,386	1,502,042	1,544,905	1,589,009	1,634,392	1,681,091	1,729,143	1,778,590	1,829,472
Per du		7,524	7,718	7,958	8,185	8,418	8,658	8,905	9,159	9,470	9,689	9,966	10,251	10,544	10,845	11,155
NOI		1,041,724	1,052,133	1,062,438	1,072,626	1,082,687	1,092,607	1,102,374	1,111,973	1,121,391	1,130,612	1,139,622	1,148,401	1,156,941	1,165,216	1,173,210
Per du		6,352	6,415	6,478	6,540	6,602	6,664	6,722	6,780	6,838	6,894	6,949	7,002	7,055	7,105	7,154
DEBT SERVICE																
1st Mortg. Debt Service		852,399	851,217	849,968	848,648	847,254	845,781	844,225	842,582	840,846	839,011	837,074	835,027	832,864	830,580	828,167
HCR SHOP		44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659	44,659
HCR CIF		8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487
Total DSCR		1.13	1.18	1.18	1.19	1.20	1.22	1.23	1.24	1.25	1.27	1.28	1.29	1.31	1.32	1.33
Available Cash Flow		186,178	147,770	159,124	170,812	182,287	193,680	205,002	216,245	227,359	238,454	249,492	260,231	270,930	281,489	291,897
Per du		830	901	971	1,042	1,112	1,181	1,250	1,319	1,387	1,454	1,521	1,587	1,652	1,716	1,780
Deferred Fee Note	3,231,119	136,178	147,770	159,124	170,812	182,287	193,680	205,002	216,245	227,359	238,454	249,492	260,231	270,930	281,489	291,897
DDF Note Balance	3,231,119	3,094,941	2,947,171	2,787,847	2,617,015	2,434,728	2,241,048	2,036,047	1,819,802	1,592,403	1,353,949	1,104,547	844,317	573,387	291,897	-
Cash-On-Cash Return		4.21%	4.51%	4.93%	5.29%	5.64%	5.99%	6.34%	6.69%	7.04%	7.38%	7.72%	8.05%	8.39%	8.71%	9.03%
Average Cash-On-Cash Return	6.67%															

3

CITY OF KINGSTON

Office of the Mayor

mayor@kingston-ny.gov



Steven T. Noble
Mayor

F+1A

September 30th, 2022

Honorable Andrea Shaut
President of the Common Council
Kingston City Hall
420 Broadway
Kingston, New York 12401

Dear President Shaut,

I am requesting that Common Council amend our Washington Avenue Sewer District Agreement with the Town of Ulster to add a clause that indicates that the City of Kingston will afford them a new residential rate at a 5% premium over rates paid by Kingston residents. I would request that we continue to charge a 50% premium for commercial hook ups in the District. See attached letter from RUPCO.

Respectfully submitted,

Steven T. Noble
Mayor



*Strengthening Homes,
Communities
and Lives*

www.rupco.org

September 29, 2022

Mayor Steven T. Noble
City Hall
420 Broadway
Kingston, NY 12401

Dear Mayor Noble,

I am writing this letter to request that the Common Council place a matter concerning RUPCO's Quality Inn Project in the Town of Ulster on one of its committee's agenda in October.

The Quality Inn is project that will create 81 units of permanent supportive housing located at 114 Route 28 in the Town of Ulster, NY. There will be 11 three-bedroom apartments, 21 two-bedroom apartments, 24 one-bedroom apartments, and 25 studios. The target populations for this project are formerly homeless individuals or families with unmet housing needs and have serious mental illness (SMI), substance use disorders (SUD), veterans with honorable discharge, victims of domestic violence, HIV, re-entry, young adults (18-24), and the chronically homeless Empire State Supportive Housing Initiative vouchers (ESSHI) will be provided for all units. The Town of Ulster will provide a new sewer connection to the Quality Inn and surrounding area with American Rescue Plan funding provided by Ulster County.

The matter to discuss relates to the Washington Avenue Sewage District and Resolution 246 of 2002 amending section 9 of resolution 246 of 2002 the intermunicipal agreement (IMA) between the City of Kingston and the Town of Ulster for sewage treatment. The agreement states that the rate for processing sewage shall be an amount equal to the current City sewer use fee plus 50%, which is a rate that is normally used for commercial use.

It is our understanding that in other districts outside of the City of Kingston for which the City processes sewage, there are agreements to establish the rate for commercial properties as the City's sewer fee plus 50% and for residential properties the rate is the City sewer fee plus 5%. We would like to request that the IMA for the Washington Avenue Sewage District be amended to add a similar residential rate, which would apply to the Quality Inn Development that will be residential.

We have discussed the matter with the City Engineer John Schultheis and shared preliminary concepts for the new sewer connection. The new sewer system will tie into a sewer line within the Town of Ulster boundaries, so Mr. Schultheis stated that they would not need to approve



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and Lives*

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the sewer infrastructure plans, but the City will need to ensure that the volume limits for the entire district are not exceeded. Dennis Larios, PE, who is working on this project on behalf of the Town of Ulster does not anticipate that the new infrastructure will increase the future volume beyond the limits stated in the IMA based on the new anticipated uses.

RUPCO staff will come to present the project to the Council Committee members, answer questions regarding the project, and discuss the request.

Sincerely,

Kristen Wilson
Assistant Vice President of Community Development

Cc:
Town Supervisor Quigley
Dennis Larios
Kevin O'Connor
Emily Hamilton
Chuck Snyder
Sally Dolan
John Schultheis
Edward Norman

City of Kingston

New York 12402

Office of The Comptroller



CPO Box 1627
City Hall, 420 Broadway

Telephone:(845) 331-0080
Fax:(845) 334-3944

September 30, 2022

President Andrea Shaut
City of Kingston Common Council
Kingston, NY 12401

RE: American Rescue Plan Grant (ARPA) Guidelines


Dear President Shaut,

Ruth Ann Devitt-Frank, Director of Grants Management, and I have drafted the following two documents that will provide compliance guidance to City staff involved with ARPA related projects. The pertinent ARPA requirements are laid out in U.S. Office of Management and Budget (OMB) 2 CFR Part, 200 Compliance Supplement and the U.S. Dept of Treasury Final Rule for Coronavirus State & Local Fiscal Recovery Funds:

1. American Rescue Plan Guidelines for Procurement of Goods and Services.
2. American Rescue Plan Guidelines for Subrecipient Selection and Monitoring.

We have vetted these documents with our auditors and now request approval from the Common Council to put them into practice.

Sincerely,


John R. Tuley, Comptroller

cc: Steven Noble, Mayor
Ruth Ann Devitt-Frank, Director of Grants Management

1THE CITY OF KINGSTON COMMON COUNCIL

FINANCE AND AUDIT
COMMITTEE REPORT

REQUEST DESCRIPTION

INTERNAL TRANSFER _____
AUTHORIZATION X _____
CLAIMS _____

CONTINGENCY TRANSFER _____
BUDGET MODIFICATION _____
ZONING _____

TRANSFER _____
BONDING REQUEST _____
OTHER _____

DEPARTMENT: Comptroller DATE: 9/30/22

Description:

Approve the City's American Rescue Plan Guidelines for Procurement of Goods and Services and the the American Rescue Plan Guidelines for Subrecipient Selection and Monitoring

Estimated Financial Impact: \$0

Signature 

Motion by _____

Seconded by _____

Action Required:

SEQRA Decision:

Type I Action _____

Type II Action _____

Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

<u>Committee Vote</u>	<u>YES</u>	<u>NO</u>
Reynolds Scott Childress, Ward 3, Chairman		
Michael Olivieri, Ward 7		
Anthony Davis, Ward 6		
Michele Hirsch, Ward 9		
Steven Schabot, Ward 8		

City of Kingston

American Rescue Plan Guidelines

For Procurement of Goods & Services

Purpose

This document identifies the procedures and responsibilities for the City of Kingston ("the City") related to the procurement of goods and services in accordance with 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Generally, the City of Kingston's existing Procurement Policy and Procedures manual aligns with those outlined in 2 CFR Part 200. However, some additional compliance steps must be taken and are outlined below under Additional Federal Guidance.

A Procurement Checklist follows at the end of the document.

Summary of Terms & Guidance

The City should follow existing City of Kingston procurement policy (available on the City website). Generally, the requirements are as follows:

- 1) For goods/equipment/commodities:
 - At a cost between \$3,001 to \$20,000 three quotes are required.
 - At a cost over \$20,000 a sealed, public process is required.
- 2) For purchases of public works projects or services:
 - Under \$10,000, department should negotiate with vendor and may recommend an award; awarded at discretion of Purchasing Dept.
 - Between \$10,001 and \$35,000, department must obtain three quotes/proposals. Department may recommend an award. Contract awarded at discretion of Purchasing Dept.
 - Over \$35,000 a sealed, public bid process is required.
- 3) For purchases of professional services:
 - Under \$3,000, department negotiates with the firm and processes contract through purchasing.
 - \$3,000 to \$35,000, department obtains three quotes/proposals when possible. Negotiates with firm and processes contract through processing.
 - Over \$35,000, RFP must be issued.

Procurements in excess of the Federal Simplified Acquisition Threshold (Currently \$250,000 but subject to inflation) have additional requirements detailed under the "Additional Federal Guidance" section. Prior to going out to bid, the City should check if the goods or service can be procured from a Preferred Source as described on pp 30-31 in the City's Procurement Manual. Purchasing off NYS OGS contracts and best-value purchasing is also permitted.

Additional Federal Guidance

1) Suspension and Debarment

Prospective vendors, contractors, and consultants must be vetted against the [SAM.gov](https://www.sam.gov) list of suspended or debarred parties. Uniform Guidance includes prohibitions on dealing with suspended or debarred parties.

See instructions: [OFCCP Debarred Companies | U.S. Department of Labor \(dol.gov\)](#)

Users will be redirected to SAM.gov to conduct an entity search.

Search results should be downloaded and filed here: [S:\Grants Management\@Active Projects\Grants Management\ARPA - Coronavirus Economic Recovery Plan\4\) Vendors\SAM Debarment Searches](#)

2) Minority and Women-Owned Enterprises (MWBE) (CFR 200.321)

There are no specific MWBE goals assigned to ARPA funding. However, all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used whenever possible.

Follow these steps during the solicitation period:

- Conduct a search of certified firms at: <https://ny.newnycontracts.com/?TN=ny>
- Download the search results (with date). This includes searches that do not produce any company names.
- Reach out directly with RFPs, RFBs and quote requests to each firm on the list via email.
- When a valid email address is not available, call.
- Record all companies solicited with dates of email and phone correspondence in a spreadsheet.
- Save copies of email correspondence.

All efforts should be documented and filed here by project name: [S:\Grants Management\@Active Projects\Grants Management\ARPA - Coronavirus Economic Recovery Plan\3.1\) MWBE Solicitation Documentation](#)

For subcontractors, an MWBE plan requirement should be included in the City's contract with the subcontractor. Subcontractors should also follow the solicitation steps above and provide documentation of all efforts to the City to keep on file.

3) Contract Cost and Price (CFR 200.324)

- **The City must perform a cost or price analysis in connection with every procurement action in excess of the \$250,000 Simplified Acquisition Threshold (SAT) including contract modifications (change orders).** The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals.
- The City must negotiate profit as a separate element of the price for each contract in which there is no price competition (only one bidder) and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

- Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the City under subpart E of this part. The City may reference its own cost principles that comply with the Federal cost principles.
- The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

4) Bonding Requirements (CFR 200.326)

For construction or facility improvement contracts or subcontracts exceeding the \$250,000 SAT, the City's minimum bonding requirements are as follows:

- A bid guarantee from each bidder equivalent to 5% of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- A performance bond on the part of the contractor for 100% of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract.
- A payment bond on the part of the contractor for 100% of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

5) Miscellaneous

- To the maximum extent possible, the City should distribute purchases below competitive purchasing thresholds equitably among qualified suppliers.
- The City is encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property wherever such use is feasible and reduces costs.
- Use of value engineering is encouraged for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

5) Post award monitoring

To ensure that proper stewardship of sponsored funding and comply with applicable requirements of 2 CFR, Part 200, City Departments must, at a minimum, review all invoices regardless of award amount to ensure:

- Expenditures are in accordance with the approved budget.
- Amounts calculate and total correctly.
- There is sufficient detail to permit identification of the cost items.
- Clarification is provided for unusual, miscellaneous or other charges.
- Expenditure activity is in compliance with applicable laws, regulations, and requirements.

Schedule A - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the

non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671g) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) Procurement of Recovered Materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(K) Prohibition on certain telecommunications and video surveillance services or equipment.

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

- (1) Procure or obtain;
- (2) Extend or renew a contract to procure or obtain; or
- (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

(L) Domestic preferences for procurements.

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods,

products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

(M) Energy Efficiency in Energy Consuming Products

(a) Definition. As used in this clause – Energy efficient product

(1) Means a product that –

(i) Meets Department of Energy and Environmental Protection Agency criteria for use of the Energy Star ® trademark Label; or

(ii) Is in the upper 25 percent of efficiency for all similar products as designated by the Department of Energy's Federal Energy Management Program.

(2) The term "product" does not include any energy-consuming product or system designed or procured for combat or combat-related missions (42 U.S.C. 8259b).

(b) The Contractor shall ensure that energy-consuming products are energy efficient products (i.e. Energy Star ® products or FEMP-designated products) at the time of contract award, for products that are-

(1) Delivered;

(2) Acquired by the Contractor for use in performing services at a Federally-controlled facility;

(3) Furnished by the Contractor for use by the Government; or

(4) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance.

(c) The requirements of paragraph (b) apply to the Contractor (including any subcontractor) unless-

(1) The energy-consuming product is not listed in the Energy Star ® Program or FEMP; or

(2) Otherwise approved in writing by the Contracting Officer.

(d) Information about these products is available for –

(1) Energy Star ® <http://www.energystar.gov/products>; and

(2) FEMP at <https://www.energy.gov/eere/femp/energy-efficient-products-and-energy-saving-technologies>.

Procurement Checklist to Be Completed By Project Manager (Please sign/no initials) or N/A Where Applicable

1. Pre-award: Method of procurement selected is in compliance with the City procurement manual. Signature: _____
2. Pre-award: The City has taken affirmative steps to include MWBE firms in the procurement as described in "Additional Federal Guidance" section and all information has been filed on the S drive. Signature: _____
3. Pre-award: For all procurements over the \$250,000 SAT threshold, including change order requests, a cost or price analysis has been conducted as described in the "Additional Federal Guidance" section of this document. Signature: _____
4. Pre-award: Vendor/Contractor has been vetted on the SAM.gov list of suspended or debarred parties and entity search results have been downloaded and filed on the S drive. Signature: _____
5. Pre-award: Byrd Anti-Lobbying certification is on file for contracts over \$100,000. Signature: _____
6. Pre-award and Contract: For all procurements over the \$250,000 SAT threshold, bonding requirements as described in the "Additional Federal Guidance" section of this document have been fulfilled. Signature: _____
7. Contract: Agreement includes all clauses and disclosures listed in this document under Appendix A. Signature: _____
8. Contract: A plan for monitoring contractor/consultant performance over the course of the contract is in place. Signature: _____
9. Contract: For Time-and-materials contracts, a not-to-exceed ceiling price has been set and is stated in the contract. Signature: _____
10. Contract: Contract has been reviewed by Corporation Counsel's office. Signature: _____
11. Contract: Contract has been forwarded to purchasing and a purchase order has been issued. Signature: _____

Procurement Checklist To Be Completed By ARPA Manager

Action Category # per City of Kingston ARPA Funding Plan (1-8) : _____

1. Arts & Tourism Development
2. Business (Re) Development Fund
3. Housing Action
4. Non-Profit Provider Support
5. Parks and Greenways Improvement Fund
6. Public Health
7. Vital Community Infrastructure
8. Administration & Program Delivery

Project # per City of ARPA Funding Plan: _____

(example: 146 is "Underwrite foreclosure prevention")

ARPA Expenditure Category # Per Appendix 1 to the most recent US Department of Treasury Compliance and Reporting Guidance for SLFRF Funds: _____

(example: 1.3 is "Covid-19 Contact Tracing" in Version 3.0 dated 2/28/22)

General Ledger Account Number(s) Assigned in Munis: _____

ARPA Manager – Sign to acknowledge acceptance of checklist as completed and that all authorizations of funding are in place (i.e. funds are available within currently approved ARPA grant budget categories, city match is authorized, etc.) x. _____

City of Kingston

American Rescue Plan Guidelines for Subrecipient Selection

Purpose

This document identifies the procedure and responsibilities for the City of Kingston ("the City") as a pass-through entity in accordance with 2 CFR, Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Definition of Subrecipient

An entity that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Subrecipient Risk Evaluation

Evaluate subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives other Federal awards directly from a Federal awarding agency).

Subrecipient Contract Requirements

A formal agreement reviewed by the City's Corporation Counsel must be entered into with each subrecipient of City grant funds. The agreement should outline each partner's responsibility under the grant, including responsibility for compliance requirements and monitoring thereof. It is the responsibility of the City Department administering the grant to coordinate this process. If approval of the subrecipient agreement is required to be obtained by the granting agency, the City Department administering the grant will obtain such approval. In addition to standard clauses contained in City contracts, agreements must contain:

- (1) Federal award identification.
 - (i) Subrecipient Name (which must match name associated with its unique entity identifier);
 - (ii) Subrecipient unique entity identifier (SAM);
 - (iii) Federal Award Identification Number (FAIN/CFDA);
 - (iv) Federal Award Date;
 - (v) Subaward Period of Performance Start and End Date;
 - (vi) Subaward Budget Period Start and End Date;
 - (vii) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
 - (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
 - (ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

- (x) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
 - (xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity;
 - (xii) Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
 - (xiii) Identification of whether award is R & D;
 - (xiv) Indirect cost rate for the Federal award (including if the de minimis rate is charged) per CFR 200.414
- (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award (including audit requirements);
 - (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
 - (4) (i) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient, which is either:
 - (A) The negotiated indirect cost rate between the pass-through entity and the subrecipient; which can be based on a prior negotiated rate between a different PTE and the same subrecipient. If basing the rate on a previously negotiated rate, the pass-through entity is not required to collect information justifying this rate, but may elect to do so;
 - (B) The de minimis indirect cost rate.
 - (ii) The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with CFR 200.405(d).
 - (5) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in CFR 200.208.
 - (6) Contracts must contain the applicable provisions described in Schedule A of this document where required (depends on specific Federal Grant).

Post Award Monitoring (Departments)

To ensure that proper stewardship of sponsored funding and comply with applicable requirements of 2 CFR, Part 200, City Departments must, at a minimum, review all subrecipient invoices regardless of award amount to ensure:

- (1) Expenditures are in accordance with the approved budget and have followed Federally required procurement rules.
- (2) Amounts calculate and total correctly.
- (3) There is sufficient detail to permit identification of the cost items.
- (4) Clarification is provided for unusual, miscellaneous or other charges.
- (5) Expenditure activity is in compliance with applicable laws, regulations, and requirements.

Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes; in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Obtaining and reviewing financial and performance reports required by the pass-through entity, including Federal Single Audit where required. Currently, entities expending \$750,000 or more in any fiscal year on all Federal Grants (including but not limited to subawards from

- the City) are subject to Federal Single Audit. Federal Single Audits of subrecipients should be forwarded to the City Comptroller for inspection.
- (2) Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
 - (3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by CFR 200.521.
 - (4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with CFR section 200.513(a)(3)(vii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

Documentation of monitoring actions must be retained by the department to evidence the application of the risk based approach and to support the testing performed.

The City Comptroller's Office must retain subrecipient audits and corrective action plans (as necessary) on file for three years from the date of receipt. Departments must retain documentation of monitoring actions.

Schedule A - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the

non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671g) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) Procurement of Recovered Materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(K) Prohibition on certain telecommunications and video surveillance services or equipment.

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

- (1) Procure or obtain;
- (2) Extend or renew a contract to procure or obtain; or
- (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

(L) Domestic preferences for procurements.

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

(M) Energy Efficiency in Energy Consuming Products

(a) Definition. As used in this clause – Energy efficient product

(1) Means a product that –

(i) Meets Department of Energy and Environmental Protection Agency criteria for use of the Energy Star ® trademark Label; or

(ii) Is in the upper 25 percent of efficiency for all similar products as designated by the Department of Energy's Federal Energy Management Program.

(2) The term "product" does not include any energy-consuming product or system designed or procured for combat or combat-related missions (42 U.S.C. 8259b).

(b) The Contractor shall ensure that energy-consuming products are energy efficient products (i.e. Energy Star ® products or FEMP-designated products) at the time of contract award, for products that are-

(1) Delivered;

(2) Acquired by the Contractor for use in performing services at a Federally-controlled facility;

(3) Furnished by the Contractor for use by the Government; or

(4) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance.

(c) The requirements of paragraph (b) apply to the Contractor (including any subcontractor) unless-

(1) The energy-consuming product is not listed in the Energy Star ® Program or FEMP; or

(2) Otherwise approved in writing by the Contracting Officer.

(d) Information about these products is available for –

(1) Energy Star ® <http://www.energystar.gov/products>; and

(2) FEMP at <https://www.energy.gov/eere/femp/energy-efficient-products-and-energy-saving-technologies>.

Subrecipient Checklist to Be Completed by Project Manager (Please sign/no initials)

1. Preaward – Method of procurement selected is in compliance with the City procurement manual. Signature: _____
2. Preaward – A thorough search of prospective MWBE firms has been conducted; RFP, RFB and quote solicitations have been conducted and documented; and all information has been filed on the S drive. Signature: _____
3. Preaward – City's electronic grant file contains the subrecipient risk evaluation required by 2 CFR 200.332(d).
Signature: _____
4. Preaward – Subrecipient has been vetted on the SAM.gov list of suspended or debarred parties and entity search results have been downloaded and filed on S drive. Signature: _____
5. Preaward – Subrecipient has registered with SAM.gov and provided the City with a copy of their registration, including identifier #.
Signature: _____
6. Contract – Agreement includes all clauses and disclosures listed in this document under the section "Subrecipient Contract Requirements" as well as Appendix A" Signature: _____
7. Contract – If applicable, the indirect cost rate is disclosed and is in accordance with the allowable methods listed under the "Subrecipient Contract Requirements" of this document. Signature: _____
8. Contract – A plan for monitoring subrecipient performance over the course of the contract consistent with the "Post Award Monitoring" section of this document, including obtaining and reviewing Federal Single Audits where required, is in place.
Signature: _____
9. Contract – Contract has been reviewed by Corporation Counsel's office. Signature: _____
10. Contract – Contract has been forwarded to purchasing and a purchase order has been issued. Signature: _____

Subrecipient Checklist To Be Completed By ARPA Manager

Action Category # per City of Kingston ARPA Funding Plan (1-8) : _____

1. Arts & Tourism Development
2. Business (Re) Development Fund
3. Housing Action
4. Non-Profit Provider Support
5. Parks and Greenways Improvement Fund
6. Public Health
7. Vital Community Infrastructure
8. Administration & Program Delivery

Project # per City of ARPA Funding Plan: _____
(example: 146 is "Underwrite foreclosure prevention")

ARPA Expenditure Category # Per Appendix 1 to the most recent US Department of Treasury Compliance and Reporting Guidance for SLFRF Funds: _____
(example: 1.3 is "Covid-19 Contact Tracing" in Version 3.0 dated 2/28/22)

General Ledger Account Number(s) Assigned in Munis: _____

ARPA Manager – Sign to acknowledge acceptance of checklist as completed and that all authorizations of funding are in place (i.e. funds are available within currently approved ARPA grant budget categories, city match is authorized, etc.) x. _____

OLD BUSINESS

RESOLUTION 192 OF 2022

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF KINGSTON,
NEW YORK APPROVING THE TRANSFER OF 623-629 DELAWARE AVENUE
TO POK BEACON, LLC**

Sponsored By: Finance/Audit Committee: Alderman Scott-
Childress, Hill, Olivieri, Schabot, Hirsch

WHEREAS, The City of Kingston, through in rem foreclosure, acquired title to 623-629 Delaware Avenue (SBL # 56.34-10-3); and

WHEREAS, the Office of Housing Initiatives issued a Request for Expressions of Interest (RFEI K22-26) for the sale of 623-629 Delaware Avenue in May 2022; and

WHEREAS, POK Beacon LLC was selected by the K22-26 Evaluation Committee as the applicant that best matched the RFEI's evaluation criteria; and

WHEREAS, the transfer and rehabilitation of 623-629 Delaware Avenue would return the property to the tax rolls and provide much needed housing to the community.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
THE CITY OF KINGSTON, NEW YORK, AS FOLLOWS:**

SECTION 1. That the City of Kingston shall transfer 623-629 Delaware Avenue to POK Beacon LLC for \$149,292.00, plus all necessary filing fees.

SECTION 2. That the Mayor is hereby authorized to sign any and all documents, including quitclaim deeds, conveying the City of Kingston's interest in this property to POK Beacon, LLC

SECTION 3. That this resolution shall

Submitted to the Mayor this ____ day of
_____, 2022

Approved by the Mayor this ____ day of
_____, 2022

Elisa Tinti, City Clerk

Steven T. Noble, Mayor

Adopted by Council on _____, 2022

1925

FIA

CITY OF KINGSTON

Office of Housing Initiatives

Bartek Starodaj, Director



Steven T. Noble, Mayor

September 7, 2022

Ald. At Large Andrea Shaut, President
City of Kingston Common Council
City Hall - 420 Broadway
Kingston, NY 12401

Re: Transfer of 623-629 Delaware Avenue

Dear President Shaut,

Earlier this spring my office issued a Request for Expressions of Interest (RFEI) for the sale of 623-629 Delaware Avenue. This tax-foreclosed property has been city-owned for the past several years and its condition has rapidly deteriorated during this time. This unique property has four side-by-side units and deserves a full rehabilitation. With an ongoing housing crisis, it could also provide much-needed housing for four families.

We received four responses to the RFEI. The evaluation committee, composed of myself, Sue Cahill, and Steve Knox, unanimously chose POK Beacon LLC, represented by Peter O'Kennedy. Mr. O'Kennedy has rehabilitated other properties in Kingston and is highly regarded by the Building Safety Department for his work.

I propose that we transfer this property to POK Beacon LLC for the full amount of the back taxes owed, \$149,292.00. The transfer of this property to POK Beacon LLC would align with the new disposition policy introduced by Mayor Noble during August's Finance & Audit Committee. I ask that you please forward this communication to the next regularly scheduled Finance & Audit Committee for consideration.

Respectfully submitted,

Bartek Starodaj
Director of Housing Initiatives

Cc: Steve T. Noble, Mayor
E. Tinti, City Clerk
J. Tuey, Comptroller
S. Cahill, Planning Director
S. Knox, Building Safety Director
B. Graves-Poller, Corporation Counsel
M. Hirsch, Alderman Ward 9

City of Kingston - Office of Housing Initiatives
Phone: (845) 334-3928 Email: bstarodaj@kingston-ny.gov

RESOLUTION ____ of 2022

RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK APPROVING THE TRANSFER OF 623-629 DELAWARE AVENUE TO POK BEACON, LLC

Sponsored by: Finance & Audit Committee Aldermen: Scott-Childress, Olivieri, Davis, Hirsch, Schabot

WHEREAS, The City of Kingston, through in rem foreclosure, acquired title to 623-629 Delaware Avenue (SBL # 56.34-10-3); and

WHEREAS, the Office of Housing Initiatives issued a Request for Expressions of Interest (RFEI K22-26) for the sale of 623-629 Delaware Avenue in May 2022; and

WHEREAS, POK Beacon LLC was selected by the K22-26 Evaluation Committee as the applicant that best matched the RFEI's evaluation criteria; and

WHEREAS, the transfer and rehabilitation of 623-629 Delaware Avenue would return the property to the tax rolls and provide much needed housing to the community.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK, AS FOLLOWS:

SECTION 1. That the City of Kingston shall transfer 623-629 Delaware Avenue to POK Beacon LLC for \$149,292.00, plus all necessary filing fees.

SECTION 2. That the Mayor is hereby authorized to sign any and all documents, including quitclaim deeds, conveying the City of Kingston's interest in this property to POK Beacon, LLC

SECTION 3. That this resolution shall take effect immediately.

Submitted to the Mayor this ____ day

Approved by the Mayor this ____ day

of _____ 2022

of _____ 2022

Elisa Tinti, City Clerk

Steven T. Noble, Mayor

Adopted by Council on _____, 2022

1THE CITY OF KINGSTON COMMON COUNCIL

FINANCE AND AUDIT COMMITTEE REPORT

REQUEST DESCRIPTION

INTERNAL TRANSFER _____
AUTHORIZATION _____
CLAIMS _____

CONTINGENCY TRANSFER _____
BUDGET MODIFICATION _____
ZONING _____

TRANSFER _____
BONDING REQUEST _____
OTHER _____

DEPARTMENT: Housing

DATE: 09/14/2022

Description: Approving the transfer of 623-629 Delaware Avenue to POK Beacon, LLC for \$149,292.00

Estimated Financial Impact: +\$149,292 Signature _____

Motion by MO

Seconded by BH

Action Required:

SEQRA Decision:

Type I Action _____

Type II Action _____


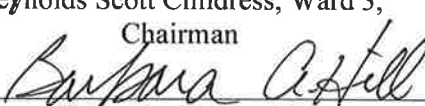

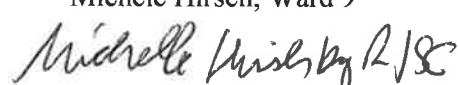
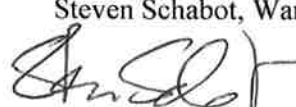
Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

Committee Vote		YES	NO
	Reynolds Scott Childress, Ward 3, Chairman	✓	
	Tony Davis, Ward 6	✓	
	Michael Oliveri, Ward 7	✓	
	Michele Hirsch, Ward 9		
	Steven Schabot, Ward 8		✓

Peter O'Kennedy
POK BEACON LLC
3 Water Street
Beacon NY 12508
Ph: 845 464 4935
E: okennedy.peter@gmail.com

COVER LETTER

Re:

RFEI#: RFEI K22-26

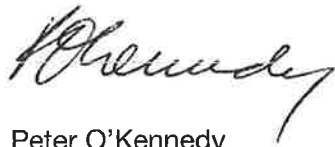
Request for Expressions of Interest Regarding the Sale of 623-629 Delaware Ave

6.6.2022

To Whom It May Concern

I, the undersigned, as the authorised member of POK Beacon LLC submit the included RFEI and associated documents regarding 623-629 Delaware Ave, Kingston, NY 12401.

Sincerely,



Peter O'Kennedy
Managing member,
POK Beacon LLC

RFEI#: RFEI K22-26

Request for Expressions of Interest Regarding the Sale of 623-629 Delaware Ave

**Peter O'Kennedy
POK BEACON LLC
3 Water Street
Beacon NY 12508
Ph: 845 464 4935
E: okennedy.peter@gmail.com**

Identification of the person with the authority to represent and make legally binding commitments for the Developer and contact person responsible for inquiries:

**Peter O'Kennedy
Ph: 845 464 4935
E: okennedy.peter@gmail.com**

DEVELOPMENT AND OWNERSHIP PLAN:

EXPERIENCE AND QUALIFICATIONS:

I and the managing and sole member of POK Beacon LLC (Peter O'Kennedy, POK BEACON LLC, 3 Water Street, Beacon, NY 12508, Ph: 845 464 4935, E: okennedy.peter@gmail.com).

POK Beacon LLC is the company I trade under in my business both buying, rehabilitating and selling homes in the Hudson Valley, and as a landlord for buildings I buy, rehabilitate and rent to tenants. I am currently active in Kingston NY, and Beacon, NY, where I live, and have been since 2016.

Please see included PDF for examples of my previous work in Kingston.

My intention for 623-629 Delaware Ave would be to rehabilitate the units into 4 x 2-bedroom-plus-office homes, to hold and rent at fair market rate.

I am a big fan of the town of Kingston and its ongoing revival, and I feel I have contributed to the city's progress in a small but positive way with my past work here. My intention would be to rehabilitate the 4 homes to a very high standard, with utmost respect to the integrity of the existing architecture: These are lovely homes with great proportions, sensible layouts, and a variety of beautiful features: I would retain as much as possible, and add sympathetically where necessary. I would use only hardwood floors; solid core doors and stone kitchen countertops, and I would heat and cool the homes with mini-splits. In deference to the environment I would not use gas in the homes: all appliances would be electric.

Brief Bio: Peter O'Kennedy- Managing Partner POK BEACO LLC

I moved from Ireland to Beacon, N.Y. 8 years ago. In Ireland I worked as a musician, artist, interior designer and restaurateur. In New York I work as a product designer in charge of licensing for Clodagh Design International (www.clodagh.com) and as a small developer and landlord. I've rehabbed 4 multi-families in Kingston and one in Beacon, and I've recently rehabbed and sold one home in Beacon. I also have previous building experience with my own properties in Ireland, as well as working on many commercial projects as an interior designer. I can provide much more supporting background material if requested.

I currently hold 2 rental properties in Kingston: 15 Prospect Street (4-family) and 33 Henry Street (2-family). My intention is to keep these homes as rental properties for the foreseeable future. I recently sold 30 Henry (2-family), and I sold 65 Henry (2-family) a few years ago.

As a landlord, with my background in the hospitality industry, I consider myself to be in the service industry: I am at the service of my tenants, not the other way around. I consider it a matter of professional and personal pride to provide my tenants with reasonably priced homes they can enjoy, that are designed with great care and attention to detail and that are well maintained. I respect my tenants' privacy and right to feel at home in their apartment. I support the recent good cause eviction legislation.

I currently rent to 6 tenants in Kingston. I would be happy to provide their names and contact information as references. I am also in very good standing with the Kingston Building Department, where I am told they appreciate the standard I have exhibited in my previous projects in Kingston.

Development team:

Contractor: Peter O'Kennedy/ POK Beacon LLC
Electrician: Arace Electric
Plumbing: Carl Bell Plumbing and Heating
Property management: Peter O'Kennedy/ POK Beacon LLC
Architect: Chris Berg
Engineer: TBC

FINANCIAL PLAN:

I work with a private lender, Michael Tighe, and my broker Lauren Coyle (Independence Home Mortgage Corps), as well as my own funds, to finance the purchase and development of my projects. I have the required experience and discipline to properly finance and budget a project such as this, as illustrated by my previous experience. I am happy to provide more information, cost projections and statements on request.

PURCHASE PRICE AND SPECIAL CONDITIONS:

I expect the rehab cost of the project to be in the region of 600k, to bring the properties up to the standard I envision for them. In light of the investment I would be putting into them, I am offering the asking price of **\$145,000** cash for the property. I am very excited by the prospect of this project, and I would be happy to discuss purchase price further if necessary. I have no request for special conditions, other than the regular requirements of good title, no outstanding liens, etc.

FINANCIAL CAPACITY:

I have included three year's tax returns with this submission.

CONCLUSION:

I hope you will consider my proposal for 623-629 Delaware Avenue. I would be honoured and excited to have the opportunity to bring this lovely property back to life, and to offer it to the community of Kingston as fair market value rentals. As a developer and landlord I believe I can make this property viable financially, providing very desirable housing at a reasonable rent with reasonable but not extortionate profit!

Please feel free to contact me by phone or email at any time if you require further information.:

POK BEACON LLC
PREVIOUS PROJECTS
KINGSTON, NY

POK BEACON LLC, 3 WATER STREET, BEACON, NY 12508 PH: 845 464 4935 E: OKENNEDY.PETER@GMAIL.COM

15 PROSPECT STREET, KINGSTON
4-FAMILY
2017

15 PROSPECT STREET, KINGSTON



BEFORE

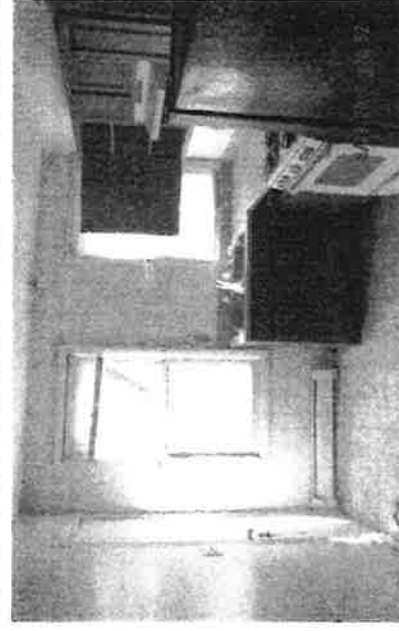
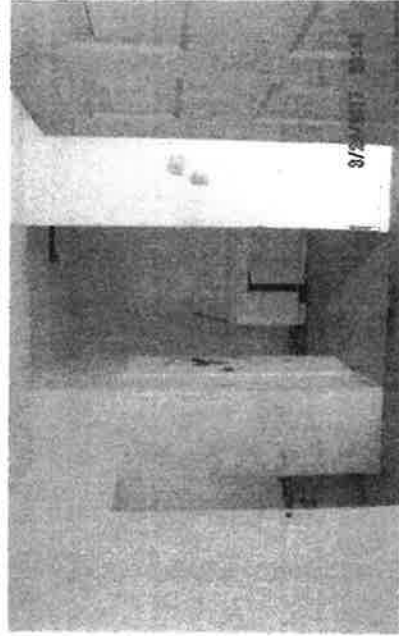
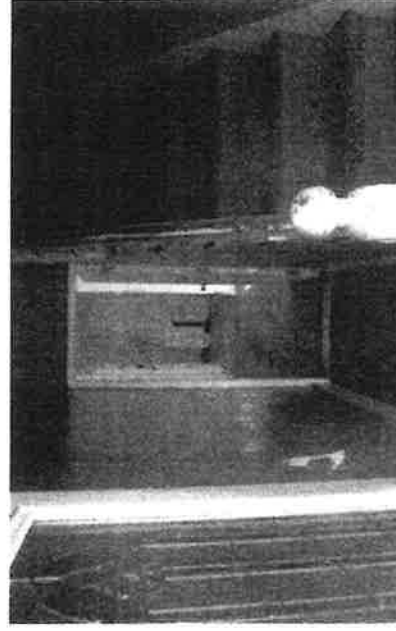
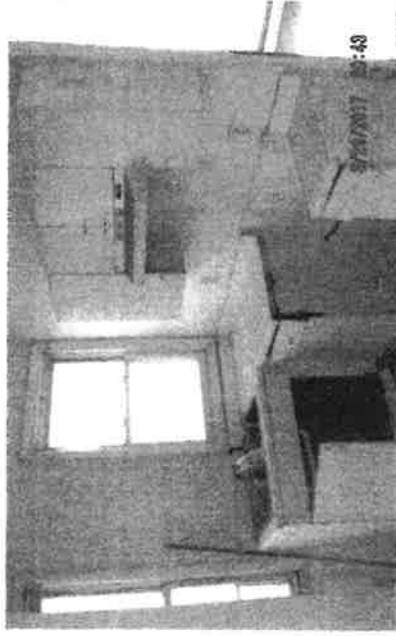
15 PROSPECT STREET, KINGSTON



AFTER

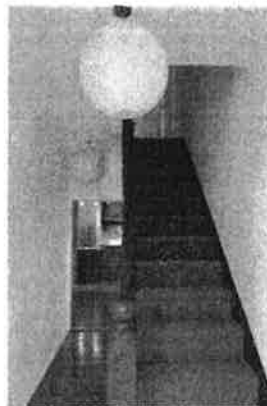
65 HENRY STREET, KINGSTON
2-FAMILY
2018

65 HENRY STREET, KINGSTON



BEFORE

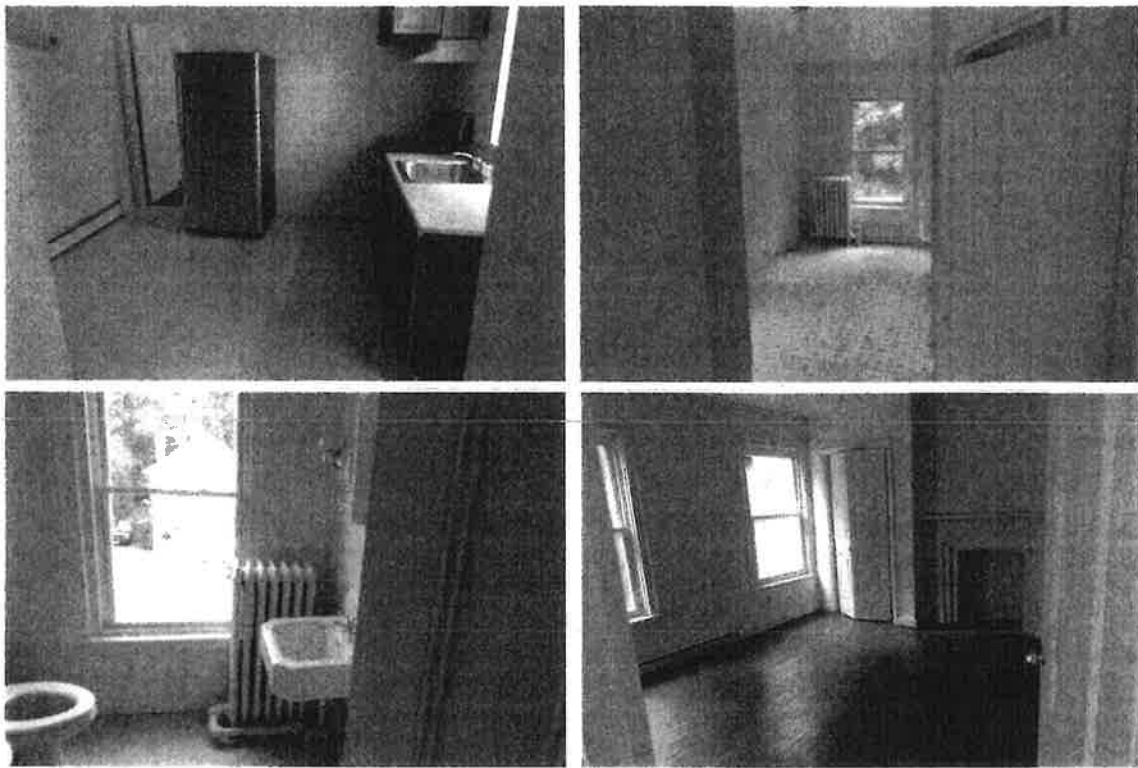
65 HENRY STREET, KINGSTON



AFTER

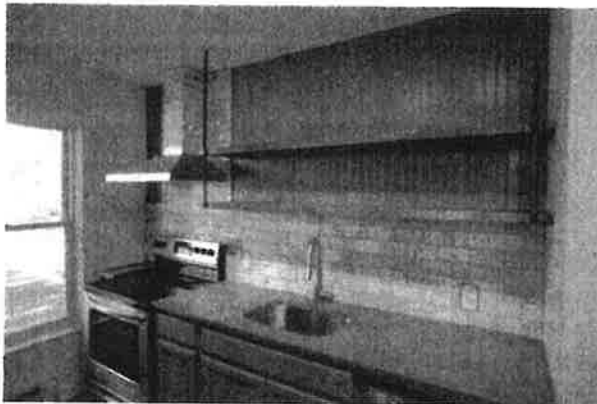
30 HENRY STREET, KINGSTON
2-FAMILY
2018

30 HENRY STREET, KINGSTON



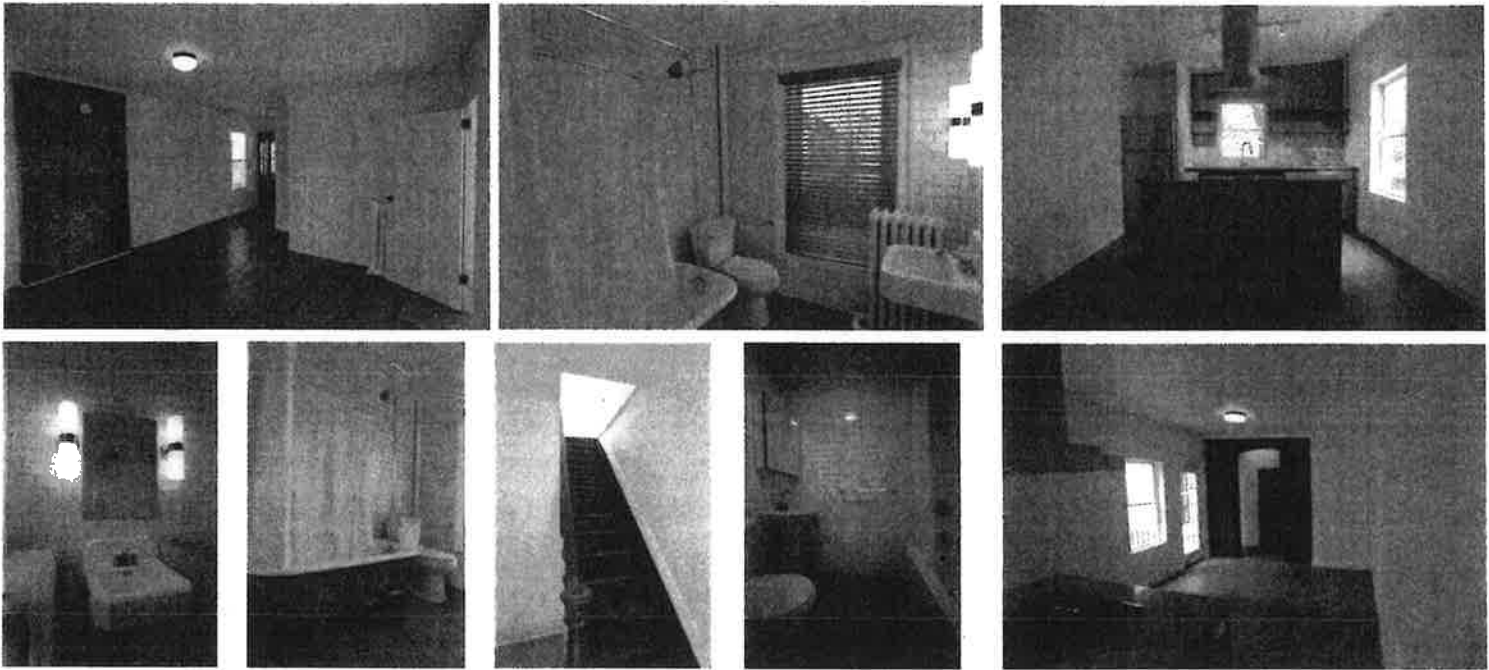
BEFORE

30 HENRY STREET, KINGSTON



AFTER

30 HENRY STREET, KINGSTON



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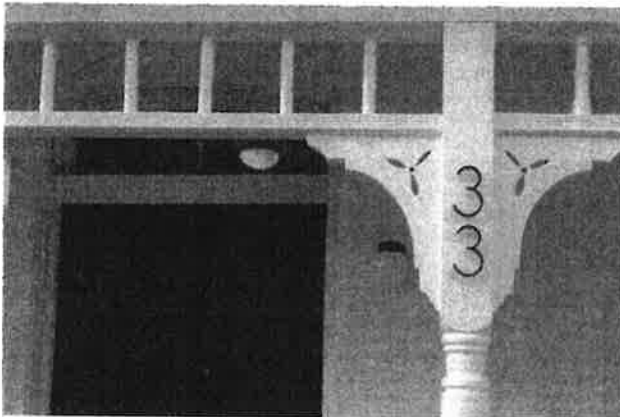
33 HENRY STREET, KINGSTON
2-FAMILY
2019

33 HENRY STREET, KINGSTON



BEFORE

33 HENRY STREET, KINGSTON



AFTER

RESOLUTION 189 OF 2022

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF KINGSTON,
NEW YORK, ADOPTING A POLICY FOR DISPOSITION OF SURPLUS CITY-
OWNED PROPERTY ACQUIRED THROUGH THE TAX FORECLOSURE
PROCESS**

Sponsored By: Finance/Audit Committee: Alderman Scott-
Childress, Schabot, Hirsch, Olivieri, Hill

WHEREAS, Section 1166 of the Real Property Tax Law authorizes the City of Kingston to sell and convey “real property acquired through foreclosure proceedings either with or without advertising for bids, notwithstanding the provisions of any general, special or local law,” subject to approval of the majority of the Common Council; and

WHEREAS, land banks are not-for-profit corporations created to serve the public interest by taking control of and redeveloping vacant or abandoned properties; and

WHEREAS, pursuant to New York State Land Bank Act, the City of Kingston may convey real property to a land bank upon such terms and conditions that the City deems appropriate; and

WHEREAS, the Empire State Development Board approved Kingston City Land Bank on March 29, 2018, to serve the public interest as a not-for-profit corporation that takes control of and redevelops vacant and abandoned properties; and

WHEREAS, Strategy 2.3.1 of the Kingston 2025 Comprehensive Plan states that the City of Kingston should “promote home ownership by low-and moderate-income households;” and

WHEREAS, the Common Council finds that the annexed disposition policy, which prioritizes transferring surplus City-owned property to the Kingston City Land Bank, will advance revitalization goals set forth in the Kingston 2025 Comprehensive Plan, accelerate the citywide production of housing at all income levels, and stimulate economic growth:

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF
THE CITY OF KINGSTON, NEW YORK, AS FOLLOWS:**

SECTION 1. That the City of Kingston shall follow the annexed disposition plan for transferring ownership of surplus City-owned properties acquired through the “in-rem” delinquent tax lien foreclosure process.

SECTION 2. that the Mayor is hereby authorized to sign any and all documents, including quitclaim deeds, conveying the City of Kingston's interest in surplus property in accordance with the annexed disposition policy.

SECTION 3. That the properties identified in Resolution 245 of 2021 are subject to Section B of the disposition policy's General Provisions but shall be exempt from all other terms annexed hereto.

SECTION 5. That this resolution shall take effect immediately.

Submitted to the Mayor this ____ day of _____, 2022

Approved by the Mayor this ____ day of _____, 2022

Elisa Tinti, City Clerk

Steven T. Noble, Mayor

Adopted by Council on _____, 2022

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Submitted to the Mayor this ____ day of _____, 2022

Approved by the Mayor this ____ day of _____, 2022

Elisa Tinti, City Clerk

Steven T. Noble, Mayor

Adopted by Council on _____, 2022

189

OFFICE OF THE MAYOR

mayor@kingston-ny.gov

Steven T. Noble
Mayor



July 29th, 2022

Honorable Andrea Shaut
President of the Common Council
Kingston City Hall
420 Broadway
Kingston, New York 12401

Re: City of Kingston Disposition Policy

Dear President Shaut,

The Kingston City Land Bank was established in 2018 with the explicit purpose of rehabilitating the City's vacant tax-foreclosed housing stock and returning them to the tax rolls. Over the past few years, the Common Council has agreed to dispose of City-owned property to the Kingston City Land Bank (KCLB) for the full price of the back taxes. However, it has done so without the guidance of a clear disposition policy.

A written disposition policy for City-owned property would increase certainty for an organization such as the KCLB and other parties that might wish to acquire and redevelop City-owned properties. Most importantly, it would clarify which City-owned properties the Land Bank would receive and the funding it would need to acquire and rehabilitate each property. This would accelerate the overall redevelopment timeline, thereby allowing the KCLB to sell each property more quickly as an affordable homeownership opportunity. At a time when we desperately need additional housing stock, this is an important process improvement. It would also reduce the cost of City staff to maintain vacant properties and reduce the negative impact vacant homes have on the surrounding neighborhood.

I ask that you please forward this communication to the next regularly scheduled Finance & Audit Committee for consideration. I will forward a full copy of the proposed resolution prior to the meeting. If you have any questions on this proposal, you can contact our Housing Director Bartek Starodaj.

Respectfully submitted,

Steven T. Noble
Mayor

Disposition Plan Provisions

The City will henceforth dispose of all properties it acquires through the “in rem” tax lien foreclosure process in the following preferential order, subject to the stated conditions:

I. For all properties, irrespective of the amount of outstanding taxes and fees due:

The City may, in its discretion, retain and/or alternately dispose of the property for any reason. Within 60 days of the City’s acquisition of a property through the “in rem” delinquent tax lien foreclosure process, the Mayor of Kingston shall determine whether such property should be retained.

II. For one- or two-unit residential properties with less than \$30,000 in outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure:

The City will offer such properties to the Kingston City Land Bank.

A. The Kingston City Land Bank shall have a 90-day option to purchase such properties for \$1.00. This 90-day offer period begins to run when the City communicates an offer notice to the Kingston City Land Bank. This offer letter will include the total of all delinquent taxes and fees associated with the parcel preceding, during, and post foreclosure. The City has discretion to extend this offer period to facilitate the Kingston City Land Bank’s property inspection and due diligence procedures. The Kingston City Land Bank shall communicate its acceptance or rejection of properties via resolution of the Kingston City Land Bank Board of Directors.

B. The Kingston City Land Bank is required to take title to a property within 90-days of Common Council Resolution approving the conveyance of the property. If the Kingston City Land Bank fails to take title to a property within this 90-day period, the City will follow the provisions of Section IV for that property.

C. The Kingston City Land Bank shall remit an additional payment to the City within 30 days of the sale of each property received in accordance with this disposition policy. The payment due to the City for each residential property will reflect the Area Median Income (AMI) level, adjusted for household size, of the end-user-household as follows:

- Properties in Tier 1 (purchased by end-user households below 80% AMI): the lesser of \$7,000 or the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure;
- Properties in Tier 2: (purchased by end-user households between 80–100% AMI): the lesser of \$13,000 or the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure;
- Properties in Tier 3 (purchased by end-user households between 100–130% AMI): the lesser of \$18,000 or the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure;

- Properties in Tier 4 (purchased by end-user households above 130% AMI): The full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure, plus 10% of the net sales revenue. Net sales revenue is defined as the total sales price minus closing costs.

D. The Kingston City Land Bank will assume responsibility for the above-listed payment obligations when it sells properties directly to end-user households and when it conveys properties received in accordance with this disposition policy to for-profit and not-for-profit corporations, which then sell property to end-user households.

E. The City may dispose of any property that the Kingston City Land Bank declines to purchase during the 90-day option period in accordance with Section IV below.

III. *For vacant land with less than \$30,000 in outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure:*

The City will convey such land to the Kingston City Land Bank.

A. The Kingston City Land Bank shall have a 90-day option to purchase such land for \$1.00. This 90-day offer period begins to run when the City communicates an offer notice to the Kingston City Land Bank. This offer letter will include the total of all delinquent taxes and fees associated with the parcel preceding, during, and post foreclosure. The Kingston City Land Bank shall communicate its acceptance or rejection of properties via resolution of the Kingston City Land Bank Board of Directors. The City has discretion to extend this offer period to facilitate the Kingston City Land Bank's property inspection and due diligence procedures.

B. The Kingston City Land Bank is required to take title to a property within 90-days of Common Council Resolution approving the conveyance of the property. If the Kingston City Land Bank fails to take title to a property within this 90-day period, the City will follow the provisions of Section IV for that property.

C. The Kingston City Land Bank shall remit an additional payment to the City within 30 days of the sale of each transferred property. The payment due to the City for each property will be calculated as follows:

- If the Kingston City Land Bank sells the property for a purchase price that exceeds ***any and all outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during and post foreclosure***, the Kingston City Land Bank will pay the City the full amount of outstanding taxes and fees (including those yet to be billed) associated with the parcel preceding, during, and post foreclosure.
- If the Kingston City Land Bank sells the property for less than the outstanding taxes and fees (including those taxes and fees yet to be billed) associated with the parcel preceding, during and post foreclosure, the Kingston City Land Bank will pay the City of Kingston 25% of the net sales revenue. Net sales revenue is defined as the total sales price minus closing costs.

IV. *For all other "in-rem" tax foreclosed commercial and residential properties, including those with one- or two-unit residential buildings for which \$30,000 or more*

in outstanding billed taxes and fees (including those yet to be billed) associated with the parcel preceding, during, and post foreclosure are due, as well as all properties not accepted by the Kingston City Land Bank during its option period, the following disposition options apply:

A. The City of Kingston shall develop a public Request for Proposals (RFP) drafted to advance housing goals identified in the City's Comprehensive Plan and the revitalization objectives set forth in General Municipal Law §§ 505 and 907. The City of Kingston shall issue this RFP in accordance with its established procurement rules.

B. If the City fails to receive qualified responses to the RFP or if the City rejects the proposals received or if the Common Council fails to approve the conveyance of any property to an RFP Respondent, the City shall hold a public auction and sell the property to the highest bidder.

General Provisions

A. The Kingston City Land Bank shall not convey any property acquired from the City of Kingston back to the property's immediate former owner(s) for less consideration than the amount of any and all delinquent taxes and fees associated with the parcel preceding, during and post foreclosure

B. City employees and members of the City of Kingston Common Council who are involved with the negotiation or preparation of the sale and closing process of properties title to which has been acquired by the City through the "In Rem" delinquent tax lien foreclosure process, have access to knowledge or information about a parcel conveyed by the City to the Land Bank or about the present or proposed use of nearby parcels through his or her City position, which knowledge or information is not accessible to the general public, or who have the authority to appoint employees who have any of the foregoing powers or access to the foregoing information, are specifically precluded from purchasing properties conveyed to the Land Bank by the City during and for two (2) years after the termination of their City employment or term of office.

C. This resolution is intended to incentivize the production of low-to-moderate affordable housing opportunities in the City of Kingston. Accordingly, it is expected that at least 65% of all one- or two-unit residential properties sold by the Kingston City Land Bank are disposed to households at or below 130% of Area Median Income for Ulster County.

D. The Kingston City Land Bank will provide the Corporation Counsel and Comptroller of the City of Kingston with a quarterly report on the properties subject to this Disposition Plan that were acquired and/or sold by the Kingston City Land Bank in the preceding quarter and must include information sufficient for the City of Kingston to ensure compliance with these provisions. Notwithstanding any other provision herein, the City of Kingston may decline to offer property to the Kingston City Land Bank if the Land Bank fails to provide quarterly reports or if those reports indicate noncompliance with either these Disposition Plan's provisions or the City's Comprehensive Plan. The City shall then have the right to offer property to another affordable housing non-profit under the conditions of this Disposition Plan.

1THE CITY OF KINGSTON COMMON COUNCIL

FINANCE AND AUDIT
COMMITTEE REPORT

REQUEST DESCRIPTION

INTERNAL TRANSFER _____
AUTHORIZATION _____
CLAIMS _____

CONTINGENCY TRANSFER _____
BUDGET MODIFICATION _____
ZONING _____

TRANSFER _____
BONDING REQUEST _____
OTHER _____

DEPARTMENT: Housing

DATE: 09/14/2022

Description:

**ADOPTING A POLICY FOR DISPOSITION OF SURPLUS CITY-OWNED PROPERTY
ACQUIRED THROUGH THE TAX FORECLOSURE PROCESS**

Estimated Financial Impact: \$ 0

Signature _____

Motion by MO

Seconded by MH

Action Required:

SEQRA Decision:

Type I Action _____

Type II Action _____

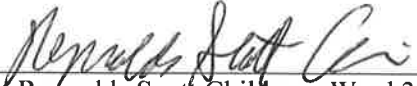
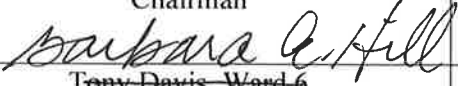


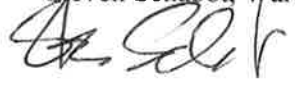
Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

<u>Committee Vote</u>	<u>YES</u>	<u>NO</u>
 Reynolds Scott Childress, Ward 3, Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Tony Davis, Ward 6	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Michael Olivieri, Ward 7	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Michele Hirsch, Ward 9	<input checked="" type="checkbox"/>	<input type="checkbox"/>
 Steven Schabot, Ward 8	<input checked="" type="checkbox"/>	<input type="checkbox"/>

