

**Middletown**  
**Community Development Agency**  
**Annual Report**

Year ending 12/31/15

**MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY  
ENABLING STATUTE**

*N.Y. GMU. LAW § 601-a : NY Code - Section 601-A: Middletown community development agency - A community development agency, to be known as the Middletown community development agency, is hereby established for the accomplishment of any or all of the purposes specified in articles fifteen and fifteen-A of this chapter and in accordance with article eighteen of the constitution of the state of New York. It shall constitute a body corporate and politic, be perpetual in duration and consist of the members of the city council and the mayor who shall be the chairman. It shall have the powers and duties now or hereafter conferred by article fifteen-A of this chapter upon municipal urban renewal agencies. It shall be organized in the manner prescribed by and be subject to the provisions of article fifteen-A of this chapter and the agency, its members, officers, and employees and its operations and activities shall in all respects be governed by the provisions of such article.*

**MIDDLETOWNCOMMUNITY DEVELOPMENT AGENCY  
BOARD AND MANAGEMENT  
2015**

*Consistent with the Urban Renewal plan, adopted by the City of Middletown Common Council and the Middletown Community Development Agency, "The (Agency) Board shall consist of the current Mayor and Common Council in any given year, with the Mayor serving as Chairman.*

CHAIRMAN: Joseph M. DeStefano

VICE CHAIRMAN: Paul Johnson

BOARD MEMBERS: Thomas Burr

Jude A. Jean-Francois

Gerald P. Kleiner

Joseph G. Masi

Kate Ramkissoon

J. Miguel Rodrigues

Sande Sommers

Kevin Witt

Executive Director: Maria Bruni

Secretary: Patricia Racine

Treasurer: Donald Paris

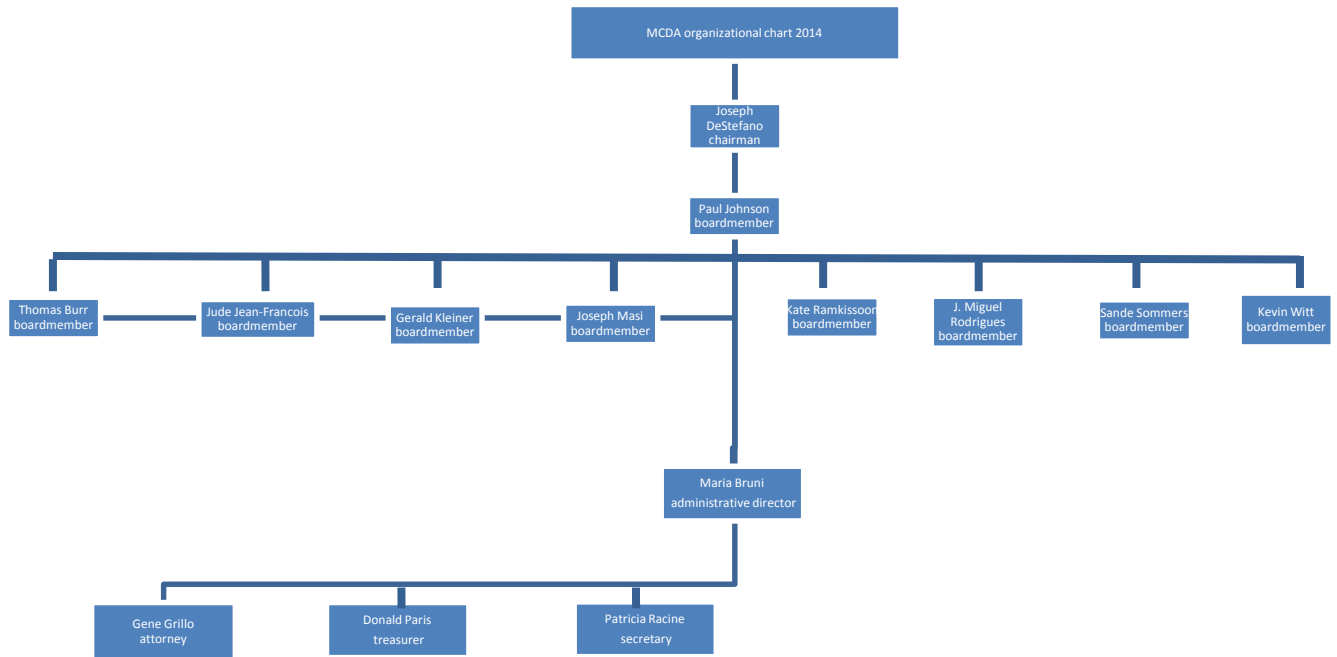
MCDA Counsel: Gene Grillo (08/12/14)

**MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY  
2015 COMMITTEES  
ESTABLISHED JULY 1, 2014**

**Governance:** J. Miguel Rodrigues, Sande Sommers, Paul Johnson

**Finance:** Joseph Masi, Kate Ramkissoon, Paul Johnson, Kevin Witt

**Audit:** Jude Jean-Francois, Gerald Kleiner, Thomas Burr



## **MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**

### **MISSION STATEMENT AND PERFORMANCE GOALS**

#### **Mission Statement: (Adopted June 03, 2014)**

The Middletown Community Development Agency's purpose is to plan and implement programs involving the rehabilitation and revitalization of both the residential and commercial sectors of the City of Middletown, foster economic growth, provide assistance to public service organizations, eliminate blight, promoted neighborhood stabilization, and improve housing opportunities for low- and moderate-income residents of the City of Middletown.

The Middletown Community Development Agency will implement its mission by undertaking initiatives principally geared toward the elimination of blighted and deteriorated conditions existing among the City's residential and commercial properties. The Middletown Community Development Agency will acquire blighted properties, provide resources for rehabilitation of acquired properties, and will create financing mechanisms to allow for the acquisition and rehabilitation of properties for homeownership by low- and moderate-income residents.

#### **Funding:**

The Middletown Community Development Agency will be capitalized with municipal resources as well as other state and federal financial resources.

#### **History:**

The City of Middletown Community Development Agency is a public benefit corporation which was authorized to be reestablished by New York State legislation on July 18, 2012 at the request of the City of Middletown. It functions as an "Urban Renewal Agency" under Articles 15, 15-A, and Section 633 of Article 15-B of the General Municipal Laws of the State of New York and was enacted into law as Chapter 200 of the Laws of 2012, While it is an independent entity from the City of Middletown government, the City of Middletown Common Council and Mayor are the members of the Middletown Community Development Agency Board of Directors pursuant to Section 601-a of the New York General Municipal Law. The Common Council has adopted the City of Middletown Urban Renewal Plan which will guide the operation of the Middletown Community Development Agency.

#### **Middletown Community Development Agency Performance Goals: (Adopted June 03, 2014)**

- Operate in a fiscally conscientious and responsible manner.
- To continually assess the needs of the City's residents, and to strive to apply the Agency's services where they will create the most benefit and community vitality.
- To meet the needs of the community by working to secure state and federal funding for City and community priorities.
- To cultivate community trust and engagement by operating in a transparent and easily accessible manner.
- To meet the needs of the residents of the City of Middletown by supporting local public service agencies and programs.
- Assist City of Middletown municipal departments including Code Enforcement, Office of Economic and Community Development and the Department of Public Works to identify blighted properties and assist in the rehabilitation and repositioning of subject properties through funding programs aimed at the removal of blight in residential neighborhoods and improve the economic development of the City.

**Additional Questions:**

**1. Have the board members acknowledged that they have read and understood the mission of the public authority?**

Board members have read and adopted the mission statement and performance goals and have signed the Acknowledgement of Fiduciary Duties.

**2. Who has the power to appoint the management of the public authority?**

Board members appoint the management of the public authority.

**3. If the Board appoints management, do you have a policy you follow when you appoint the management of the public authority?**

Yes, the compensation, reimbursement and attendance policy states:

“The officers, employees and agents of the Agency shall serve at the pleasure of the Agency at such compensation levels as may be approved by the Board.”

**4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

The role of each management position is described in the bylaws of the Agency, generally to carry out the business of the agency with the specific approval of the board members.

The powers and duties of the board members, as described in the MCDA bylaws “...are set forth in Article Fifteen A (15A) of the General Municipal Law of the State of New York. The members of the Board shall perform such duties as are incumbent upon them by reason of their office and such other duties as are incidental to the office and which may from time to time be authorized by resolution of the MCDA. The MCDA Board may create such committees, and delegate to those committees powers, as it deems appropriate or as otherwise required by New York State law.”

**5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

By their vote to adopt each annual report and their signature upon the Acknowledgement of Fiduciary Duties the board members acknowledge that they have read and understood the responses to each of these questions.

**MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY  
OPERATIONS AND ACCOMPLISHMENT REPORT  
2015**

The Middletown Community Development Agency has completed its second year of full operations. This year's activities revolved around the rehabilitation of the Agency's first Homeownership Program property.

A Memorandum of Agreement was signed with PathStone to conduct homebuyer education and counseling for the Middletown Homeownership Program. To date 5 approved prospective homeowners have expressed interest in certain properties

The 2014 Annual Report and Audit were submitted to New York State.

Requests for Proposals were posted for appraisal services and residential inspection services. Lead Tek/HomeTek and Valuation Consultants were awarded proposals for services in connection with the Middletown Homeownership program.

Matthew J. Davies, Inc. was awarded the bid for the Agency's first homeownership project at 53 Prospect Avenue. At this writing the project is nearly complete and the closing is imminent.

A Community Capital New York construction bridge loan was obtained for the 53 Prospect project and will be repaid upon closing.

The 2016 proposed budget was approved.



**MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY  
PERFORMANCE MEASURES REPORT  
2015**

The Middletown Community Development Agency in keeping with their mission statement and performance goals (adopted June 3, 2014) has operated in a fiscally conscientious and responsible manner as evidenced by the accompanying financial audit.

The Agency, in accordance with its performance goals, continually assesses the needs of the City's residents and strives to apply the Agency's services where they will create the most benefit through the City of Middletown's Consolidated Plan, interaction with other City entities and local agencies.

The Agency consistently seeks additional funding for City and community priorities.

The Agency utilizes open meetings, a strong, consistent internet presence and any other method at its disposal to operate in a transparent and easily accessible manner.

The Agency communicates regularly with City departments to identify blighted properties and assist in the rehabilitation and reposition of subject properties through funding aimed at the removal of blight in residential neighborhoods and to improve the economic climate of the City.

**MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY**  
**MANAGEMENT'S ASSESSMENT**  
**OF THE AUTHORITY'S INTERNAL CONTROL STRUCTURE AND PROCEDURES**  
**2015**

A. Define the Authority's Major Business Functions

The Middletown Community Development Agency reviewed and re-adopted the Bylaws of the Middletown Community Development Agency J at its organizational meeting as well as The City of Middletown Urban Renewal Plan, which designates the Agency as the administrator of The Plan. Additional policies, procedures and guidelines were adopted on May 6, 2014. The Mission Statement and Performance goals were adopted on June 3, 2014. These documents articulate the mission of the authority, determine its primary operating responsibilities, define its objectives, ensure they are understood by staff, guide staff in the operation of the Agency and provide methods and procedures used to assess the effectiveness of those functions.

B. Determine the Risks Associated with Its Operations

All financial decisions and expenditures are approved by the full board after recommendation by any of the following: a member of the Executive Management Team, Finance Committee, Audit Committee or auditor.

C. Identify the Internal Control Systems in Place

Payment of expenditures: prepared by the secretary, approved by the Executive Director, the Agency Board and the Treasurer before payment is made.

D. Assess the Extent to Which the Internal Control System is Effective

The Agency's auditor has assessed the internal control structure and has found no issues.

E. Take Corrective Action

No corrective action is warranted at this time.

*This statement certifies that the MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2015. There were no deficiencies evident as corroborated by the Agency auditor.*

**MIDDLETOWNCOMMUNITY DEVELOPMENT AGENCY  
REAL PROPERTY REPORT  
2015**

The Community Development Agency acquired 53 Prospect Avenue from the City of Middletown for consideration with the understanding that it would be part of the Agency's Home Ownership Program. The Agency, upon sale of the property, will pay the tax lien on the property.

**MIDDLETOWNCOMMUNITY DEVELOPMENT AGENCY  
INVESTMENT REPORT  
2015**

The Community Development Agency acquired 53 Prospect Avenue from the City of Middletown for consideration with the understanding that it would be part of the Agency's Home Ownership Program. The Agency, upon sale of the property, will pay the tax lien on the property.

The initial, pre-rehabilitation, appraisal on the property was \$50,000. A bid of \$68,500 was awarded for the rehabilitation of the property. The final appraisal, post-rehabilitation, is \$175,000.

During 2016 a final purchase price will be determined with respect to the development budget and the Home Ownership Guidelines.

**MIDDLETOWN COMMUNITY DEVELOPMENT AGENCY  
SCHEDULE OF DEBT  
2015**

Please see the 2015 audit attached to this annual report.