



NYC Neighborhood Capital Corporation
Minutes of the Meeting of the Board of Directors
June 26, 2019

A meeting of the Board of Directors (the “Board”) of NYC Neighborhood Capital Corporation (“NYCNCC” or the “Corporation”) was held on June 26, 2019 at 2pm at the New York City Economic Development Corporation (“NYCEDC”), 110 William Street, Conference Room 4C, New York, NY 10038.

The following directors or their designated representatives were present:

- Elizabeth Verostek, Senior Vice President, NYCEDC
- Jervonne Singletary, Assistant Vice President, NYCEDC
- Gbenga Dawodu, Vice President, NYCEDC
- Alexandra Blissett, alternate for James Katz, Chief of Staff, NYCEDC
- Julieanne Herskowitz, alternate for Nate Bliss, Senior Vice President, NYCEDC

The following directors or their designated representatives were not present:

- James Patchett, Chairperson, President, NYCEDC
- Melanie McMann, Vice President, NYCEDC

Also present were the following members of NYCEDC staff:

- Dan Broom, Vice President, NYCEDC
- Susan Goldfinger, Senior Vice President, NYCEDC
- Rebecca Gafvert, Vice President, NYCEDC
- Christine Robinson, Assistant Vice President, NYCEDC
- Adam Lewis, Counsel, NYCEDC
- Mac Thayer, Assistant Vice President, NYCEDC and Executive Director of the Corporation

Also present was Ashley Dills of United Fund Advisors, consultant to the Corporation.

Mr. Thayer convened the meeting of the Board of NYCNCC at 2:15 p.m., at which point a quorum was present.

1. Approval of Previous Meeting Minutes

Mr. Thayer brought up the first item for consideration, which was approval of the minutes of the Board meeting held on March 14, 2019.

Mr. Thayer asked for a motion to approve the minutes of the March 14, 2019 meeting, which motion was made, seconded and unanimously approved.

2. CY 2018 NMTC Allocation Award Authorizations

Mr. Thayer noted that NYCNCC had been awarded \$55,000,000 in NMTCs by the CDFI Fund as part of the CY 2018 awards round, and asked the Board to adopt several authorizations related to entering into an allocation agreement with the CDFI Fund and setting up subsidiary CDE entities, which Mr. Thayer stated were required for transactions (“CY 2018 NMTC Allocation Award authorizations”).

Mr. Thayer noted that the formal CY 2018 NMTC Allocation Award authorizations were listed in the document found on tab three of the Board book, and generally covered the following areas: authorization for the Allocatee and the Subsidiaries to enter into the Allocation Agreement with the CDFI Fund; authorization to execute and deliver any documents for and in the name and on behalf of the Allocatee in connection with the Allocation Agreement; authorization to file Articles of Organization for new Subsidiary entities with the New York State Department of State; authorization to execute and enter into the limited liability company operating agreements by and between the Corporation and New York City Economic Development Corporation; authorization for the Advisory Board of the Corporation to serve as the Advisory Board for each Subsidiary; and authorization to complete, execute and submit such forms, applications, documents and instruments to certify each Subsidiary with the CDFI Fund.

Ms. Verostek asked if the Corporation would create five sub-CDEs, as was done in the previous round. Mr. Thayer stated that that was correct: that the Corporation would create five sub-CDEs to start, and that additional sub-CDEs could be created if needed.

Mr. Thayer asked for a motion to approve the CY 2018 NMTC Allocation Award authorizations, substantially in the form attached hereto as Schedule 1. The motion was made, seconded and unanimously approved.

3. Annual PAAA Items

Mr. Thayer noted that per the Public Authorities Accountability Act of 2005 (“PAAA”), NYCNCC was required to adopt certain policies, procedures and guidelines on an annual basis, and asked the Board to approve several authorizations to adopt such policies, procedures and guidelines for the FY2020 year.

Mr. Thayer noted that the PAAA policies, procedures and guidelines were listed in the document found on tab four of the Board book, and that these items included a Mission Statement and Performance Measurements Policy; an Investment Guidelines Policy; a Policy for the Acquisition and Disposition of Real Property; a Policy for the Disposition of Personal Property; a Procurement Policy; a Board Self-Evaluation; and a policy that Corporation Documents shall be posted to the Corporation’s website.

Ms. Singletary asked if project job numbers collected per NYCNCC’s Mission Statement and Performance Measurements Policy were broken out into full time and part time jobs. Mr. Thayer answered that the jobs were reported as full time equivalents (FTEs). Ms. Singletary also asked if project job numbers were reported under NYCEDC’s annual report and New York Works plan, and if the job numbers also included more qualitative information on demographics, salary and educational

attainment. Mr. Thayer stated that the project job numbers were reported to the NYCEDC Compliance Department for inclusion in NYCEDC's annual reporting, and that he would need to confirm how the jobs numbers were incorporated into the New York Works plan by the NYCEDC.

Ms. Verostek noted that NYCNCC's Procurement Policy designated a small purchase limit of \$5,000, which was less than NYCEDC's small purchase limit of \$20,000, and asked if it might make sense to increase NYCNCC's small purchase limit to \$20,000 to match that of NYCEDC. Mr. Thayer stated that in his opinion it did make sense to do so and Ms. Robinson agreed.

Mr. Thayer asked for a motion to approve the annual PAAA items substantially in the forms attached hereto as Schedule 2, including an update to the Procurement Policy to increase the small purchase limit to \$20,000, and an update the Mission Statement and Performance Measurements to include tracking measures consistent with the New York Works plan. The motion was made, seconded and unanimously approved.

4. Corporate Governance Items

Mr. Thayer stated that there were currently several vacancies on Board committees, including the Audit Committee and the Investment Committee. Mr. Thayer asked the Board members to please consider serving on the committees. Ms. Robinson stated that the responsibilities of the Audit Committee were to meet three times per year and review the unaudited and audited financial statements of NYCNCC and its subsidiaries.

5. General Deployment Strategy

Mr. Thayer spoke about the general investment and deployment strategy of the Corporation, including its responsibilities under the Allocation Agreement with the CDFI Fund and target areas of investment with respect to project type, geography, neighborhood distress criteria, community outcomes, number of projects, and timeframe for investment and credit deployment. Mr. Thayer compared the Corporation's strategy in the 2017-2018 period versus 2019-2021 period. Ms. Dills stated that the investment strategy and expected community outcomes also aligned well with the NMTC application that would be submitted in the fall to the CDFI fund, as well as with broader City initiatives such as NYC Works.

A general discussion ensued with respect to NMTCs and eligible uses. Ms. Gafvert asked if NMTCs could potentially fund affordable housing. Mr. Broom asked if NMTCs could be used for leasehold improvements vs. tenant fit-outs. Ms. Herskowitz asked about the ultimate beneficiaries of the tax credits. Ms. Dills and Mr. Thayer responded to the questions.

6. Processes for Project Identification, Selection and Approval

Mr. Thayer provided an overview of NYCNCC's processes for project identification, selection and approval. A general discussion ensued. Ms. Gafvert, Ms. Hersowitz, Mr. Broom, Ms. Singletary, Ms. Dills and Mr. Thayer all commented.

7. 2019 and 2020 Projects

Mr. Thayer provided an overview of ten prospective projects for investment in 2019-2021. A general discussion about these projects ensued. Ms. Gafvert, Ms. Hersowitz, Mr. Broom, Ms. Singletary, Ms. Dills and Mr. Thayer all commented.

8. Adjournment

There being no further business to come before the Board at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board was adjourned at 2:55 p.m.



Approved by:

NYC NEIGHBORHOOD CAPITAL CORPORATION

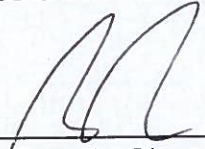
By: _____
Mac Thayer, Executive Director



Approved by:

NYC NEIGHBORHOOD CAPITAL CORPORATION

By:



Mac Thayer, Executive Director

Schedule 1

NYCNCC Allocation Agreement Board Resolutions

Attached.

NYC NEIGHBORHOOD CAPITAL CORPORATION

Certification of the Resolutions
of the Board of Directors
of NYC Neighborhood Capital Corporation

I, Mac Thayer, the duly elected, qualified Executive Director of NYC Neighborhood Capital Corporation (the “Corporation”), do hereby certify, in my capacity as Executive Director of the Corporation, that, acting pursuant to Section 708(b) of the Not-for-Profit Corporation Law of the State of New York and the By-Laws of the Corporation, the following resolutions were adopted by The Board of Directors (the “Board”) of the Corporation on June 26, 2019, and have not been altered, amended or superseded in any respect and are complete, accurate and in full force on and as of the date hereof. In my capacity as Executive Director of the Corporation, I do hereby certify, without personal liability, the following.

WHEREAS, the Corporation has been certified by the Community Development Financial Institutions Fund (“CDFI Fund”) as a qualified community development entity, and has submitted a Round 15 New Markets Tax Credit Allocation Application (the “Application”); and

WHEREAS, the Corporation has received an allocation of authority to offer federal new markets tax credits from the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (“CDFI Fund”) as a result of its Round 15 new markets tax credit allocation application submitted in June 2018 (the “Allocation”); and

WHEREAS, in order to segregate investment activities for discrete projects using the Allocation, the Corporation has created five (5) subsidiary entities (each, a “Subsidiary” and collectively, the “Subsidiaries”) pursuant to the New York Limited Liability Company Law (the “LLC Law”), each of which is to qualify as a “qualified community development entity” with CDFI Fund; and

WHEREAS, the Allocatee and the Subsidiaries, desire to enter into that certain Allocation Agreement (the “Allocation Agreement”) with CDFI Fund in connection with and in order to utilize the Allocation.

RESOLVED, that the Board hereby (i) authorizes and approves the Allocatee and the Subsidiaries entering into the Allocation Agreement; and (ii) authorizes the Chairperson, Executive Director and Deputy Executive Director of the Corporation (each an “Authorized Officer” and, collectively, the “Authorized Officers”) to execute and deliver (or cause to be executed and delivered) any documents for and in the name and on behalf of the Allocatee, both directly and, as may be necessary, in the Allocatee’s capacity as the managing member of each Subsidiary Allocatee, in connection with the Allocation Agreement, the execution and delivery thereof by them to constitute conclusive evidence of such approval.

RESOLVED, that the Authorized Officers have directed the filing of the Articles of Organization of each Subsidiary, copies of which are attached hereto as Exhibit A, with the New York State Department of State pursuant to Section 203 of the LLC Law, and are hereby ratified as of the date of their filing. The said Articles of Organization were filed to form each of the following Subsidiaries:

NYCNCC Sub-CDE 6, LLC, a New York limited liability company

NYCNCC Sub-CDE 7, LLC, a New York limited liability company

NYCNCC Sub-CDE 8, LLC, a New York limited liability company

NYCNCC Sub-CDE 9, LLC, a New York limited liability company

NYCNCC Sub-CDE 10, LLC, a New York limited liability company

RESOLVED, that the Authorized Officers are hereby authorized and directed to execute and enter into the limited liability company operating agreements by and between the Corporation, as managing member (the “Managing Member”), and New York City Economic Development Corporation, a New York nonprofit corporation (“NYCEDC”), as non-managing administrative member (each, an “Operating Agreement” and collectively, the “Operating Agreements”), copies of which are attached hereto as Exhibit B, setting forth the members’ respective rights, powers, obligations and duties relating to each Subsidiary, as well as the operation and governance of each Subsidiary.

RESOLVED, that pursuant to and in accordance with Section 3(b) of each of the Operating Agreements, the Advisory Board of the Corporation is hereby designated to serve as the Advisory Board for each Subsidiary.

RESOLVED, that Gordon Bell, Nancy Biberman, Seth Bornstein, Jill Eisenhard, Alfred Gill, Jeffrey Ginsberg, Yanki Tshering, Blondel Pinnock and Jose Calderon, are hereby appointed as the initial members of the Advisory Board of each Subsidiary.

RESOLVED, that the Authorized Officers are hereby authorized and directed to complete, execute and submit such forms, applications, documents and instruments and to take such further actions as may be necessary, advisable or required to qualify each Subsidiary as a “qualified community development entity” with CDFI Fund.

RESOLVED, that the authority given is retroactive, and any acts referred to which were performed prior to the adoption of these resolutions are ratified and affirmed.

General Authority

RESOLVED, that the Authorized Officers, acting alone be, and he or she hereby is, authorized and directed to execute and deliver all other affidavits, certificates, agreements, instruments and documents, to pay all fees, charges, and expenses, and to do or cause to be done all other acts and things which are required or which may be necessary or, in his or her opinion, desirable and proper in order to effect the purposes of the foregoing resolution and to cause

compliance by the Corporation and Subsidiaries with all of the terms, covenants, and conditions on the Corporation's part or the Subsidiaries' part to be performed or observed.

[Signature Page Follows]

Exhibit A

Copies of Articles of Organization of the Corporation's Subsidiaries

Attached.

Exhibit B

**Copies of Limited Liability Company Operating Agreement of the Corporation's
Subsidiaries**

Attached.

Schedule 2

PAAA Policies

Attached.

NYC NEIGHBORHOOD CAPITAL CORPORATION

Meeting of the Board of Directors
of NYC Neighborhood Capital Corporation

June 26, 2019

PAAA Policies, Guidelines and Procedures

WHEREAS, the Public Authorities Accountability Act of 2005, as amended (the “**PAAA**”), requires the Board of Directors (the “**Board**”) of NYC Neighborhood Capital Corporation (the “**Corporation**”) to approve, on an annual basis, various policies, guidelines and procedures and to take various actions in accordance with the provisions of the PAAA.

RESOLVED, that the Mission Statement and Performance Measurements attached hereto as Exhibit A are hereby adopted by the Board.

RESOLVED, that the Investment Guidelines Policy attached hereto as Exhibit B is hereby adopted by the Board.

RESOLVED, that the Policy for the Acquisition and Disposition of Real Property attached hereto as Exhibit C is hereby adopted by the Board.

RESOLVED, that the Policy for the Disposition of Personal Property attached hereto as Exhibit D is hereby adopted by the Board.

RESOLVED, that the Procurement Policy attached hereto as Exhibit E is hereby adopted by the Board.

RESOLVED, that the Board Self-Evaluation attached hereto as Exhibit F shall be made available to the Board for completion in accordance with the PAAA.

RESOLVED, that the Corporation shall post on its website all Corporation documents and minutes, including minutes of committees, that are required to be posted in accordance with the PAAA and will otherwise make available to the public all information required to be made available to the public in accordance with applicable law.

Exhibit A

Mission Statement and Performance Measurements

Attached.

NYC NEIGHBORHOOD CAPITAL CORPORATION MISSION STATEMENT AND PERFORMANCE MEASUREMENTS

Name of Public Authority:

NYC Neighborhood Capital Corporation (the “Corporation”)

Public Authority’s Mission Statement:

The primary mission of the Corporation is to serve, and to provide investment capital to, low-income persons and low-income communities within the City of New York, thereby assisting in executing the community and economic development and job creation objectives of the New York City Economic Development Corporation and the City of New York.

Date Adopted:

June 26, 2019

List of Performance Measurements:

- Picture or Rendering of the Project
- Project Name
- Location
- Borough, Block and Lot
- Community Board
- Brief Description
- Key Impacts
- Project Type
- Square Footage
- Project Cost
- Construction Type
- MWBE Goal
- Date Closed
- Construction Start
- Estimated construction time
- Projected In-Service Date
- Project Status
- Construction Jobs - Total Number
- Permanent Jobs - Total Number
- Permanent Jobs - Quality Jobs
- Permanent Jobs - Accessible Jobs
- Permanent Jobs - Average Salary
- Permanent Jobs - Educational Attainment
- Permanent Jobs - Gender
- Permanent Jobs - Race
- Permanent Jobs - Residence (zip code)

Exhibit B

Investment Guidelines Policy

Attached.

NYC NEIGHBORHOOD CAPITAL CORPORATION INVESTMENT GUIDELINES POLICY

Adopted June 26, 2019

I. PURPOSE

The purpose of this Investment Guidelines Policy (this “Policy”) is to establish procedures and guidelines regarding the investing, monitoring and reporting of the Funds (as defined below) of NYC Neighborhood Capital Corporation (“NYCNCC”).

II. GENERAL PROVISIONS

A. Scope of Policy

This Policy applies to the funds of NYCNCC, which for purposes of this Policy and the guidelines stated herein, consist of all moneys and other financial resources available for deposit and investment by NYCNCC on its own behalf and for its own account (collectively, the “Funds”). As used herein, the defined term “Funds” shall not include the proceeds of equity contributions received by NYCNCC from third party investors for use in connection with federal new markets tax credit program projects.

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of NYCNCC’s investment program is the preservation of the principal of the Funds.
2. *Maintenance of Liquidity* – The Funds shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of NYCNCC.
3. *Maximize Return* – The Funds shall be managed in such a fashion as to maximize income through the purchase of Permitted Investments (hereinafter defined), taking into account the other investment objectives.

III. IMPLEMENTATION OF GUIDELINES

The Chief Financial Officer of NYCNCC or, if under the direction of the Chief Financial Officer, the Treasurer of NYCNCC or an Assistant Treasurer of NYCNCC (the “Designated Officers”), are each hereby authorized to invest the Funds. The Designated Officers shall be responsible for the prudent investment of the Funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy.

IV. AUTHORIZED INVESTMENTS

A. The Designated Officers may invest the Funds in the following securities (collectively, the “Securities”):

1. *U.S.A.* Obligations or securities issued by the United States.
2. *Federal Agency Obligations.* Obligations or securities issued by any agency or instrumentality of the United States if guaranteed, as to principal and interest, by the United States.
3. *Commercial Paper.* Debt obligations with a maturity of no greater than 270 days and with ratings that are the highest ratings issued by at least two rating agencies approved by the Comptroller of the State of New York.
4. *Bankers’ Acceptances* of banks with worldwide assets in excess of \$50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.
5. *Certificates of Deposit and Time Deposits* with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation (“FDIC”) insured; provided, however, that if and to the extent such certificates of deposits or time deposits are not FDIC insured, such Securities shall comply with all other applicable requirements of the General Municipal Law of the State of New York, including, but not limited to, requirements as to the collateralization of deposits of funds in excess of the amounts insured by the FDIC.
6. *Other investments* approved by the Comptroller of New York City for the investment of City funds.

B. NYCNCC shall instruct its Agents (as such term is defined in Part X of this Policy) to obtain competitive quotes for each purchase or sale of Securities, other than governmental Securities, when such transaction equals or exceeds \$2,500,000 in amount.

The Treasurer of NYCNCC shall maintain, or cause to be maintained, proper books and records of all Securities held by or for NYCNCC and for all transactions pertinent thereto. Such books and records shall at least identify the Security, the fund for which held, and the place where kept; and the entries made therein shall show the competitive quotes obtained therefor, the date of sale or other disposition, and the amount realized therefrom.

C. In addition to investments in Securities, NYCNCC may deposit Funds needed for operational expenses and Funds awaiting investment or disbursement in the following funds and accounts (collectively, the “Deposit Accounts”):

1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.

2. Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Housing and Economic Development or his or her successor in function.

V. WRITTEN CONTRACTS

NYCNCC shall enter into written contracts pursuant to which investments are made which conform with the requirements of this Policy and Section 2925(3)(c) of the Public Authorities Law unless the Board of Directors determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction, in which case the Board of Directors shall adopt procedures covering such investment or transaction.

VI. DIVERSIFICATION

The investment portfolio for the Funds shall be structured diversely to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

REFERENCE	SECURITY	MAXIMUM
IV.A.1	U.S.A.	100% maximum
IV.A.2	Federal Agency	100% maximum
IV.A.3	Commercial Paper	40% maximum
IV.A.4	Bankers Acceptances	25% maximum
IV.A.5	Certificates of Deposit; Time Deposits	45% maximum
IV.A.6	Other Investments Approved by NYC Comptroller for City Funds	A percentage deemed prudent by the CFO

VII. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet the cash flow needs of NYCNCC is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available

to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this Policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash Equivalents and Investments. Assets categorized as Cash Equivalents will be invested in permitted investments maturing in ninety (90) days or less or in Deposit Accounts. Assets categorized as Investments will be invested in permitted investments with a stated maturity of no more than two (2) years from the date of purchase.

VIII. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the requirements and goals of this Policy. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

IX. INTERNAL CONTROLS

The Designated Officers shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

X. ELIGIBLE BROKERS, AGENTS, DEALERS, INVESTMENT ADVISORS, INVESTMENT BANKERS AND CUSTODIANS

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents and Dealers

The categories of firms listed below are the categories from which NYCNCC may select firms to purchase and sell Securities (as selected, an “Agent”). Factors to be considered by NYCNCC in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with NYCNCC specifically; and level of expertise for the transactions contemplated.

1. any bank or trust company organized and/or licensed under the laws of the United States, which is authorized to do business in New York State;
2. any bank or trust company organized and/or licensed under the laws of any state of the United States, which is authorized to do business in New York State;

3. any broker-dealer licensed and/or permitted to provide services under federal law and, when necessary, qualified to do business in New York State.

B. Investment Advisors

In addition to the requirements set forth in “A” preceding, any Agent selected by NYCNCC to be an investment advisor shall be registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers

In addition to the requirements set forth in “A” preceding, any Agent selected by NYCNCC to serve as a senior managing underwriter for negotiated sales must be registered with the SEC.

D. Custodians

In addition to the requirements set forth in “A” preceding, any Agent selected by NYCNCC to be a custodian shall have capital and surplus of not less than \$50,000,000.

XI. REPORTING

A. Quarterly

The Designated Officers shall prepare and deliver to the Board of Directors once for each quarter of NYCNCC’s fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. *Independent Audit* – NYCNCC’s independent accountants shall conduct an annual audit of NYCNCC’s investments for each fiscal year of NYCNCC, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of this Policy.

2. *Investment Report* – Annually, the Treasurer or, if under the direction of the Treasurer, an Assistant Treasurer, shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:

- a. This Policy and amendments thereto since the last report;
- b. An explanation of this Policy and any amendments made since the last report;
- c. The independent audit report required by paragraph 1 above;
- d. The investment income record of NYCNCC for the fiscal year; and
- e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to NYCNCC since the last report.

The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XII. APPLICABILITY

Nothing contained in this Policy shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement for investment of the Funds, made or entered into in violation of, or without compliance with, the provisions of this Policy.

XIII. CONFLICT OF LAW

In the event that any portion of this Policy is in conflict with any State, City or Federal law, that law will prevail.

XIV. PRIOR AUTHORIZATIONS NOT SUPERSEDED

This Policy does not supersede or replace the following authorizations: (i) powers and other authorizations provided to the Chief Financial Officer and the Treasurer of NYCNCC in the By-Laws of NYCNCC and (ii) the powers and other authorizations provided in any prior resolutions adopted by NYCNCC's Board of Directors, including the banking resolutions adopted on August 6, 2014.

XV. MWBEs

NYCNCC shall seek to encourage participation by minority and women-owned business enterprises (i.e., "MWBEs") in providing financial services to NYCNCC.

Exhibit C

Policy for the Acquisition and Disposition of Real Property

Attached.

NYC NEIGHBORHOOD CAPITAL CORPORATION
POLICY FOR THE ACQUISITION AND DISPOSITION OF REAL PROPERTY

Adopted June 26, 2019

I. Introduction

In accordance with the requirements of Title 5-A of Article 9 of the Public Authorities Law and Section 2824(1)(e) of the Public Authorities Law, the following comprehensive guidelines (“Guidelines”) set forth for the NYC Neighborhood Capital Corporation (“NYCNCC”) (a) the operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the disposal of property through means of real property sale, ground lease, space lease and roof top lease, (b) the guidelines relating to the acquisition of real property and (c) related policies and procedures.

II. Methods of disposing of real property

NYCNCC shall dispose of real property in accordance with Title 5-A of Article 9 of the Public Authorities Law and other applicable laws in a manner so as to permit such full and free competition as is appropriate under the circumstances and shall award contracts to parties offering the most advantageous terms, financial and/or otherwise. The Contracting Officer (see Part VI below) for real property dispositions, appointed by NYCNCC’s Board of Directors (the “Board”), shall supervise and direct all dispositions of NYCNCC real property. The real property may be disposed of for not less than fair market value for cash, credit or other property, with or without warranty, upon such terms and conditions as the Contracting Officer or his/her designee deems proper, except as otherwise permitted herein. No disposition of real property shall be made unless an appraisal has been made by an independent appraiser whose written report will be included in the NYCNCC file. To the extent reasonably feasible, the appraisal shall be dated within twelve months of the date on which NYCNCC enters into a contract to dispose of the real property. The independent appraiser must be a New York State Certified General Real Estate Appraiser and may not be an entity owned or controlled by NYCNCC, the City of New York, New York City Economic Development Corporation, the prospective purchaser/lessee or any of their respective affiliates. An appraisal meeting the foregoing requirements is referred to herein as a “Conforming Appraisal”. Before approving the disposal of any real property the Board shall be advised of the date of the Conforming Appraisal.

Under the Contracting Officer’s or his/her designee’s direction, NYCNCC primarily uses two methods of disposition: Request for Proposals (“RFP”) and negotiated disposition.

A. RFPs

The RFP process is a process whereby the development community and other entities and individuals are invited to submit proposals for one or more properties. In an effort to create full and free competition consistent with the value and nature of the property, RFPs will be advertised

in the *City Record* and shall be advertised through the internet and in local newspapers, including community-based newspapers, in multi-language publications and/or in trade publications, where appropriate given the nature of the property. In addition, RFPs shall be posted on NYCNCC's website (or the portion of another entity's website devoted to NYCNCC), and, on occasion, distributed to a direct mailing list. All advertisements shall list when and where proposals shall be disclosed, except that if the disposition falls within one of the criteria for a negotiated disposition described below, at the discretion of the Contracting Officer, the advertisement may omit such disclosure information and/or the disclosure may or may not be made. The Contracting Officer shall approve the location of all advertisements and postings and any omission of disclosure information.

RFPs for real property sales and ground leases may, but are not required to, include an introduction and sections on development strategy, objectives, disposition process, public review process, general conditions and, where appropriate, economic development benefits. All RFPs for real property sales and ground leases must include a site description, proposal requirements and selection criteria.

Although the selection criteria as appropriate for each RFP varies, as appropriate, NYCNCC will include, where appropriate, at least the following selection criteria in reviewing submissions and selecting a proposal:

- *Economic Impact on / Spending in New York City* – projected expenditures, including purchase price, construction costs and annual operating costs; projected temporary (construction) and permanent on-site employment and payroll; projected applicable New York City taxes such as real property, sales and personal income taxes; and the extent, if any, to which the proposed project will create additional sources of revenue to the City;
- *Development Team Qualifications* – experience and development skills to complete the proposed project on time and within budget, for which experience in completing projects of a similar nature and scope as is contemplated by the RFP shall be taken into account;
- *Financial Viability* – developer's financial means to complete the project, availability of funding sources to finance the project, and sufficient use to support operating expenses, capital costs and any debt service;
- *Integration into Surrounding Community* – environmental issues such as pedestrian access, vehicular access and circulation, building mass, parking availability, landscaping, and overall integration into surrounding community;
- *Design* – architectural design, urban design, environmental development techniques, and compliance with applicable zoning, environmental and other regulatory controls;
- *MWBE Participation* – participation by minority-owned and women-owned businesses; and
- *Purpose* – whether the project involves an industry or activity which the City of New York seeks to retain and foster and conforms with NYCNCC's mission.

Depending on the nature of the real property, RFPs may include additional selection criteria deemed appropriate by the Contracting Officer or NYCNCC's Executive Director.

With regard to an RFP for a real property sale or ground lease, NYCNCC shall notify the City Council Member and Community Board whose districts include the property, that an RFP is being issued.

The contract will be awarded to the candidate presenting the most advantageous terms, price and other factors considered in connection with the criteria enumerated in the RFP. NYCNCC may reject the proposals when the minimum terms and conditions have not been met, competition is insufficient and/or it is in the public interest to do so. The award/designation will be made by notice within a reasonable time of the original advertisement, all circumstances considered.

B. Negotiated Disposition

RFP by advertisement is not always the most appropriate and effective means of disposal of real property. In certain instances, including when the disposition is for less than fair market value but the purpose of the disposition is within NYCNCC's purpose, mission or governing statute or the disposition is otherwise authorized by law, Title 5-A of Article 9 of the Public Authorities Law permits a negotiated disposition subject to obtaining such competition as is feasible under the circumstances. In some circumstances, the disposition will involve a sole source disposition. Section 2897(6)(c)(ii)-(vi) and Section 2897(7) of the Public Authorities Law set forth that real property may be disposed of through a negotiated disposition when:

- (i) the fair market value of the property does not exceed fifteen thousand dollars;
- (ii) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
- (iii) the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
- (iv) the disposal is for an amount less than the fair market value of the property, and (a) the transferee is a government or other public entity and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity, (b) the purpose of the transfer is within the purpose, mission or governing statute of NYCNCC, or (c) in the event NYCNCC seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with

NYCNCC's mission, purpose or governing statutes, NYCNCC shall provide written notification thereof to the governor, the speaker of the state assembly, and the temporary president of the state senate, and such proposed transfer shall be subject to denial by the governor, the state senate, or the state assembly in the manner specified in Section 2897(7)(iii); provided, however, that with respect to a below-market transfer by NYCNCC that is not within the purpose, mission or governing statute of NYCNCC, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which NYCNCC resides, and the transfer is of property obtained by NYCNCC from that political subdivision, then such approval shall be sufficient to permit the transfer; or
(v) such action is otherwise authorized by law.

In the event a below fair market value asset transfer (pursuant to an RFP or negotiated disposition) is proposed to NYCNCC's Board for approval, the following information must be provided to NYCNCC's Board and to the public:

1. a full description of the asset;
2. a Conforming Appraisal of fair market value and any other information establishing fair market value as may be sought by the Board;
3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to, the kind, number, location, wages, or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
4. a statement of the value to be received compared to the fair market value;
5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph "4" of this paragraph, a statement of the value to the private party; and
6. the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

Before approving the disposal of any property for less than fair market value, the Board shall consider the information described in the above paragraph, and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer. The Contracting Officer shall provide such supplemental information as the Board may require.

If an RFP involves a disposition that meets one of the criteria described above for negotiated dispositions, the Contracting Officer or his/her designee may direct that the disposition of the real property be considered a negotiated disposition. In such circumstance, a public disclosure of the

proposals would not be necessary unless otherwise required but an explanatory statement and 90 days notice (or such other period as the statute may be amended to require) would be required as detailed below.

Upon meeting Title 5-A's requirements for a negotiated disposition, the decision to proceed with a negotiated disposition in a situation where an RFP will not be used is based on an analysis of the facts and nature of the project. In such instance, a negotiated disposition may be undertaken without limitation under the following circumstances where appropriate:

- risk of business relocation or expansion outside the City, based upon a written assessment of such risks;
- to permit expansion of business in the City;
- due to number of jobs to be created or retained;
- development of sites which lack private sector interest (as demonstrated by a failed RFP or other competitive means within the past two years);
- proximity of real property to a business' existing location; or
- other important public purposes.

Regardless of the reason the negotiated disposition is deemed permissible, such competition as is "feasible" under the circumstances is still required. In some instances where advertisement is not used, NYCNCC might notify neighboring businesses of an available parcel to give them the opportunity to submit a proposal, thereby effecting competition. However, in other instances, even such notification might not be feasible. Realistically, in certain situations a sole source disposition or little competition will be the only feasible alternative. For example, if a lease is for a sum that is below fair market value and failure to renew could threaten relocation outside the City of New York, loss of jobs or business failure, a sole source negotiated disposition will be permissible under Section 2897(6)(c)(v) of the Public Authorities Law. So too, if a space is leased at fair market value to a tenant that provides many jobs and services as well as promises future economic development to the community, a sole source negotiated disposition might also be appropriate to preserve the jobs in the City of New York. Similarly, if a tenant requires an adjacent available space to expand his/her business and such expansion would create new jobs and prevent the business from leaving the City of New York, a sole source negotiated disposition at fair market value might also be appropriate. In cases where a sole source disposition is presented to NYCNCC's Board for approval, the Board should be informed of the justification for doing a sole source.

If a negotiated disposition is undertaken, in accordance with Section 2897(d) of the Public Authorities Law, in most cases not less than 90 days (or such other period as the statute may later require) prior to the disposal of the property, an explanatory statement must be submitted to the state comptroller, state director of the budget, state commissioner of general services and state legislature, a copy of the same to be maintained in NYCNCC's files.

III. Acquisitions of Real Property

Real property may be purchased by NYCNCC for purposes of use, resale, leasing or otherwise permitting the use of the property or space therein, and may be leased by NYCNCC for purposes of use, subleasing or assignment of lease or otherwise permitting the use of the leased property or space. The purpose of such acquisition shall be to further a purpose of NYCNCC. Except for acquisitions arising out of the enforcement of remedies (including rights of reacquisition), the following requirements shall apply to acquisitions by NYCNCC. The Contracting Officer or his/her designee shall approve the terms of the acquisition and obtain the approval of the Board for the same. In NYCNCC's consideration of the acquisition of real property for the reasons enumerated above, the following information must be provided to the Board:

1. a full description of the real property;
2. a Conforming Appraisal of the fair market value and any other information establishing fair market value as may be sought by the Board;
3. a description of the purpose of the acquisition, and a reasonable statement of the kind and amount of the benefit to the public resulting from such acquisition, such as the kind, number, location, wages, or salaries of jobs created or preserved as required by the acquisition, the benefits, if any, to the communities in which the property is situated as are required by the acquisition;
4. a statement of the acquisition costs as compared to the fair market value, if such acquisition costs are above the fair market value; and
5. the names of any private parties participating in the acquisition; and
6. any known environmental issues.

IV. Approvals

All purchases, sales and leases of real property by NYCNCC (except for those arising out of the enforcement of remedies, including exercises of rights of reacquisition) must be approved by its Board. Approvals may be obtained for specific purchases, sales or leases or the Board may grant approval to purchases, sales or leases in accordance with Board-approved guidelines.

V. Monitoring and Reporting Contracts for Disposal of Real Property

Prior to the disposal of the real property, the project manager involved in the disposition shall be the primary person responsible for the monitoring of compliance with the terms of the contract or other agreement or memorandum for the disposal and shall keep the Contracting Officer or his/her designee informed of all major issues that arise and of the status of the disposition.

The Contracting Officer shall cause a record to be maintained of all real property disposed of and shall cause to be prepared and transmitted all reports relating to the disposition of real property required by Title 5-A.

VI. Appointment of Contracting Officer

By adopting this Policy for the Acquisition and Disposition of Real Property, the Board appoints the Executive Vice President who, from time to time, oversees those employees of New York City Economic Development Corporation that are engaged in real estate activities as NYCNCC's Contracting Officer for real property dispositions. If there is more than one Executive Vice President who oversees those employees, each of those Executive Vice Presidents shall be considered a Contracting Officer for real property dispositions and may take any action that may be taken by the Contracting Officer.

Exhibit D

Policy for the Disposition of Personal Property

Attached.

**NYC NEIGHBORHOOD CAPITAL CORPORATION
POLICY FOR THE DISPOSITION OF PERSONAL PROPERTY**

Adopted June 26, 2019

I. Personal Property Valued at \$5,000 or Less

Whenever NYC Neighborhood Capital Corporation (the “Corporation”) wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value of \$5,000 or less, it shall obtain offers from one or more persons or entities as the Corporation’s contracting officer for personal property dispositions (the “Contracting Officer”), appointed by the Corporation’s Board of Directors (the “Board”), or his or her designee deems appropriate. The Corporation shall maintain a record of the persons or entities approached and their responses. The Corporation may conduct discussions with some or all of the persons and entities. The property may be disposed of to whichever person or entity the Contracting Officer or his or her designee selects based on the proposed price and any other factors that the Contracting Officer or his or her designee deems appropriate.

All personal property that the Contracting Officer or his or her designee considers to be of no sale value and no use to the Corporation may be destroyed or otherwise disposed of in such manner as is determined by the Contracting Officer or his or her designee. Notwithstanding the foregoing, records may only be destroyed or disposed of at a time and in a manner not in conflict with applicable law, regulation or contract.

No approval of a disposition of a type described above is required from the Board or any committee thereof. All disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

II. Personal Property Valued in Excess of \$5,000

Whenever the Corporation wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value in excess of \$5,000 it shall first obtain an appraisal of the property if, because of the unique nature of the property or the unique circumstances of the proposed transaction, it is not readily valued by reference to an active market for similar property. However, an appraisal of the property will not be required if an appraisal of the property or similar property has been made within the past two years.

The person or entity to which the property shall be disposed of shall be determined through a procurement conducted in accordance with Title 5-A of Article 9 of the Public Authorities Law. The Corporation shall publicly advertise for proposals for the disposal of the property in accordance with Title 5-A, provided that it may dispose of the property without public advertising,

obtaining such competition as is feasible under the circumstances, when permitted to do so under Title 5-A. In connection with the disposition, in addition to complying with the requirements of Title 5-A, the Corporation shall also comply with the lobbying-and-procurement requirements of Sections 139-j and 139-k of the State Finance Law, and with all other laws, if any, that are applicable to the disposition of personal property.

Prior to the disposal of the property, the project manager involved in the disposition shall be the primary person responsible for the monitoring of compliance with the terms of the contract for the disposal, and shall keep the Contracting Officer or his or her designee informed of all major issues that arise and of the status of the disposition.

The disposal must be approved by the Board if the disposal (i) is on a sole source basis for an amount in excess of \$20,000, (ii) is for an amount in excess of \$100,000 and has been competitively procured or (iii) is for property valued in excess of \$5,000 and will be disposed of for less than fair market value. For disposals for less than those amounts, no Board approval is required. In all cases, the disposal must be approved by the Contracting Officer or his or her designee and disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

The Contracting Officer shall cause a record to be maintained of all personal property disposed of for an amount in excess of \$5,000 and shall cause to be prepared and transmitted all reports relating to the disposition of personal property required by Title 5-A.

VII. Appointment of Contracting Officer

By adopting this Policy for the Disposition of Personal Property, the Board appoints the Executive Vice President who, from time to time, oversees those employees of New York City Economic Development Corporation that are engaged in real estate activities as NYCNCC's Contracting Officer for personal property dispositions. If there is more than one Executive Vice President who oversees those employees, each of those Executive Vice Presidents shall be considered a Contracting Officer for personal property dispositions and may take any action that may be taken by the Contracting Officer.

Exhibit E

Procurement Policy

Attached.

**NYC NEIGHBORHOOD CAPITAL CORPORATION
PROCUREMENT POLICY**

Adopted June 26, 2019

Section A. GENERAL

- (1) **Definitions.** The following terms shall have the meanings respectively provided:

Board of Directors means the Board of Directors of the Corporation.

City means The City of New York.

Competitive Method of Procurement means the following Methods of Procurement: Section C, Small Purchases (but not with respect to contracts under \$20,000); Section F, Competitive Sealed Bids; Section G, Competitive Sealed Proposals; and Section H, Contractors Recommended by Construction Manager.

Construction-Related Supplies means the providing of tangible personalty, whether or not capital in nature, in connection with Construction Services, including but not limited to fixtures, furnishings and equipment.

Construction Services means construction and/or renovation activities.

Consultant Committee has the meaning provided in subsection 6 of this Section A.

Corporation means NYC Neighborhood Capital Corporation.

Executive Director means the Executive Director of the Corporation, or, upon his or her direction, the Deputy Executive Director of the Corporation.

Investigation means the then-current investigatory background check used by NYCEDC.

Method(s) of Procurement means collectively and individually the following procurement procedures: (i) Use of NYCEDC under Section B; (ii) Small Purchases under Section C; (iii) Sole Source Procurement under Section D; (iv) Emergency Procurements under Section E; (v) Competitive Sealed Bidding under Section F; (vi) Competitive Sealed Proposals under Section G; (vii) Contactors

Recommended by Construction Manager under Section H; and (viii) Use of other Governmental Contracts under Section I.

Minimum Requirements means that: (i) the Offeror must have completed and submitted to the Procurement Officer the forms required for the Investigation; and (ii) the results of the Investigation must be satisfactory to the Corporation in its sole discretion.

NYCEDC means the New York City Economic Development Corporation in its capacity as the contract provider to the Corporation for all administrative services.

Offeror(s) has the meaning provided in subsection 4 of this Section A.

Procurement Officer(s) has the meaning provided in subsection 4 of this Section A.

Public Contract has the meaning provided in subsection 5 of this Section A.

Response means a response to a Solicitation.

Selection Criteria has the meaning provided in subsection 8 of this Section A.

Services means professional and consulting services.

Solicitation(s) means any notice, advertisement, bid, request for proposals, or any other request that is published or otherwise disseminated by the Corporation as part of one of the Competitive Methods of Procurement.

State means the State of New York.

Supplies means the providing of tangible and intangible goods, including (without limitation) software and capital items, including (with respect to machinery and equipment) installation and servicing, but not including construction-related personalty.

Supplies and/or Services means, depending on the context, all or any one of or any combination of the following: Services, Supplies, Construction Services, and/or Construction-Related Supplies.

(2) **Applicability of this Policy.** Except as provided for Public Contracts, this Policy shall apply to the procurement of contracts for all Supplies and/or Services to be purchased by the Corporation for its own use and account. This Policy shall not apply to the review and approval by the Corporation of any project or project entity for the purpose of participating in a federal new markets tax credit program project.

(3) **Methods of Procurement.** Every contract for Supplies and/or Services procured by the Corporation shall be procured in accordance with and pursuant to one of the Methods of Procurement. Any contract for Supplies and/or Services procured by the Corporation shall be procured in accordance with and pursuant to Competitive Sealed Bidding unless one of the other Methods of Procurement is appropriate for such procurement.

(4) **Procurement Officer; Permitted Contacts.** For every Competitive Method of Procurement, the Executive Director or, at the Executive Director's designation, the head of the contract administration unit for NYCEDC, shall name one or more individuals to act on behalf of the Corporation for the purpose of receiving questions from, and providing information to, bidders, respondents or other offerors (or if individuals are acting on behalf of entities that are bidders, respondents or other offerors, then, to such individuals) (the "Offeror(s)"). The person or persons so named shall be referred to as the "Procurement Officer(s)".

(5) **Public Contracts.** When the Corporation funds contract payments with monies provided by the federal government and/or the State and/or the City; and where as a condition to using such monies, federal and/or State and/or City law, rules or regulations prescribe procurement requirements that exceed or conflict with those set forth in this Policy, the requirements of such laws, rules or regulations shall govern. Corporation contracts that are so funded, whether in whole or in part, shall be referred to as "Public Contracts".

(6) **Board of Directors; Executive Director; Selection Consultant Committee.**

(a) With the exception of contracts for \$20,000 or less, the Board of Directors shall approve all contracts for Supplies and/or Services except that in the case of Emergency Procurements, such approvals may be retroactive.

(b) The Board of Directors may (but shall not be obligated to) appoint a Selection Consultant Committee (the "Consultant Committee") to evaluate and recommend Offerors and their Responses for any Supplies and/or Services for which a Competitive Method of Procurement is used. If the Board of Directors appoints a Consultant Committee, then the Consultant Committee shall be responsible for recommending Offerors and Responses (as selected pursuant to a Competitive Method of Procurement) to the Board of Directors. If the Board of

Directors does not appoint a Consultant Committee, the Executive Director shall make such recommendations.

(7) **Minimum Requirements.** To be considered in a Competitive Method of Procurement, an Offeror must satisfy (and to the extent possible demonstrate in its Response that it satisfies) the Minimum Requirements.

(8) **Selection Criteria.** For all contracts for which a Competitive Method of Procurement is used, the Executive Director (or, where applicable, the Consultant Committee) shall in writing specify criteria by which potential Offerors (and their Responses) are to be evaluated (the "Selection Criteria").

(9) **Applicability of Differing NYCEDC Requirements.** If NYCEDC, whether by contract or decision by the Deputy Mayor for Housing and Economic Development or by other means, amends its procurement policy and procedures, this Policy shall be similarly and automatically amended without approval by the Board of Directors except to the extent otherwise required by law.

(10) **MWBEs.** The Corporation shall seek to encourage participation by minority and women-owned business enterprises (i.e., "MWBEs") in providing Supplies and/or Services to the Corporation.

Section B. USE OF NYCEDC

(1) The Corporation may procure NYCEDC as the contractor for providing services for the administration and operation of the Corporation, and may do so without competition and without complying with any other Method of Procurement. In adopting this Procurement Policy, the Board of Directors hereby finds and determines as follows: (a) the Corporation has no employees; (b) staff personnel of NYCEDC have administered and operated the Corporation since its formation; (c) as to staffing, the operational identity between the Corporation and NYCEDC has always been and remains integrated; (d) it is in the best interests of the Corporation to continue this contractual and operational relationship with NYCEDC; (e) were the relationship to be discontinued, the resulting inefficiencies would be deleterious to the effective operation of the Corporation; and (f) to competitively seek an entity to administer and operate the Corporation would not be in the Corporation's best interest.

(2) The Corporation may procure contracts for Services through NYCEDC (other than those described in subsection (1) immediately preceding) as contractor whereby NYCEDC obtains the desired services from a third party as subcontractor, and the Corporation may select NYCEDC for this purpose on a non-competitive basis without the Corporation otherwise complying with any

other Method of Procurement; provided, however, that NYCEDC shall procure the subcontractor in question in accordance with NYCEDC's then-current procurement policy and procedures. In adopting this Procurement Policy, the Board of Directors hereby finds and determines as follows: (a) for certain Services, procuring a contractor competitively when the contractor is merely acting in an administrative or pass-through capacity is not in the best interests of the Corporation; (b) selecting NYCEDC non-competitively for this administrative and pass-through role, given that NYCEDC staff personnel provide all day-to-day administrative services to the Corporation, is by far the most efficient alternative to competitively selecting an entity for this purpose; and (c) by requiring NYCEDC to procure the subcontractor in accordance with NYCEDC's own procurement policy and procedures, the Corporation is fulfilling the intent of this Procurement Policy.

Section C. SMALL PURCHASES

The procurement of a contract for Supplies and/or Services for an amount greater than \$20,000 but not more than \$100,000 shall consist of using reasonable efforts to obtain Responses from at least three Offerors. With regard to procurements of \$20,000 or less, the Corporation shall not be required to engage in any procurement process. If the Corporation only obtains a Response from one Offeror pursuant to this Section C, the procurement will not be considered sole-source under this Policy. In general, procurements shall not be artificially divided so as to constitute a small purchase under this Section C. Procurement under this Section C need not be based exclusively on cost.

Section D. SOLE SOURCE PROCUREMENT

(1) **For Services.** Subject to review and approval by the Consultant Committee (if one has been appointed by the Board of Directors pursuant to subsection A.6 of this Procurement Policy), the Executive Director may award a contract for Services to a consultant on a sole-source basis if either of the following circumstances applies: (a) the consultant has unique capabilities or has exclusive access to unique technical data, either of which is relevant to the progress and/or completion of a project; or (b) a consultant's recent experience with a specialized project or its geographical location, or the consultant's familiarity with local community groups, would add significantly to the overall quality of either the planning, design or construction of the project.

(2) **For Supplies.** Subject to review and approval of the Consultant Committee (if one has been appointed by the Board of Directors pursuant to subsection A.6 of this Procurement Policy), the Executive Director may award to a vendor a contract for Supplies on a sole-source basis if either of the following circumstances applies: (a) the vendor is the only vendor that makes or supplies or installs or services a unique item (new or replacement) (in other words, this is a circumstance in which the Corporation would have no visible alternative); or (b) the Corporation has attempted to procure a vendor through one of the Competitive Methods of Procurement but

the effort has failed to produce a Response, or the Responses that were received were non-responsive; and, as a consequence, the Corporation must procure a vendor on a sole-source basis in order to avoid possible cost overruns or a delay in the project.

Section E. EMERGENCY PROCUREMENTS

(1) **General.** Upon determination by the Executive Director that one of the emergency circumstances described in subsection (2) below applies, the Executive Director may direct the Corporation to enter into a contract for Supplies and/or Services without the benefit of a Competitive Method of Procurement; provided, however, that the Corporation shall use such competitive procedures as may be practicable without endangering life, safety, health, welfare or property, and without impairing the success of the project to which the emergency pertains. Should the Corporation use competition, the resulting procurement need not be based exclusively on cost.

(2) **Emergencies.** The following are emergencies under which the Executive Director may direct the Corporation to enter into a contract without benefit of a Competitive Method of Procurement: (a) procurement must occur immediately in order to avoid threat to life, safety, health, welfare or property; or (b) the failure to procure immediately is likely to threaten or jeopardize the security or value of a project or the property or goods associated with a project; or (c) immediate procurement is necessary in order to avoid cost overruns or substantial delay in project completion. For purposes of clause (c), “substantial delay” in construction projects includes, but shall not be limited to, delay in a scheduled delivery date when such date is intrinsic to the progress of the construction.

Section F. COMPETITIVE SEALED BIDDING

(1) **Applicability.** Except as provided in Sections B through E and Sections G through I, all contracts for Supplies and/or Services of the Corporation shall be competitively bid under sealed bids in accordance with the provisions of this Section F. (For purposes of this Section F, the undefined term “bid(s)” shall be used interchangeably with the term “Response(s)”)

(2) **Invitation for Bids.** The Executive Director shall issue a Solicitation in the form of an “Invitation for Bids.” The Invitation for Bids shall include (whether by attachment or reference) a purchase description, and all contractual terms and conditions applicable to the procurement.

(3) **Public Notice.** Adequate public notice of the Invitation for Bids shall be provided by publication in the *City Record* a reasonable time prior to the date set forth therein for the opening of bids. In addition, the Corporation may publish such notice in a newspaper of general circulation for a reasonable time prior to bid opening.

(4) **Bid Opening.** Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid, the name of each bidder and the bid security, if any, shall be recorded. The record and each bid shall be open to public inspection.

(5) **Bid Acceptance and Bid Evaluation.** Bids shall be unconditionally accepted without alteration or correction on the part of the bidder except as authorized in this Section F. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used.

(6) **Correction or Withdrawal of Bids; Cancellation of Awards.** Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted in instances in which the Executive Director finds that it is in the Corporation's interest to do so. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Corporation or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Executive Director.

(7) **Award.** The contract shall be awarded to the bid that (a) is lowest in cost, and (b) is responsive to the Invitation to Bids, and (c) meets the Minimum Criteria. Notwithstanding the foregoing, any or all bids may be rejected when the Corporation reasonably deems it is in the Corporation's interest to do so.

Section G. COMPETITIVE SEALED PROPOSALS

(1) **Applicability.** The Corporation may procure contractors through Competitive Sealed Proposals under this Section G for the following: (a) for Services; and (b) when the Executive Director determines (subject to review and approval of the Consultant Committee if one has been appointed by the Board of Directors pursuant to subsection A.6 of this Procurement Policy) that one or more of the following circumstances applies, then, under such circumstance, for Supplies, for Construction Services, and for Construction-Related Supplies: (x) Competitive Sealed Bidding is inadequate because of the importance of considerations other than cost; (e.g., the capacity of an Offeror to perform as stated in its Response; experience in the required area of knowledge; experience in the community to be served or studied; experience in the community

where the contract work is to be performed); or (y) discussions with Offerors that are potential awardees are necessary in order to insure their full understanding and responsiveness to contract requirements; or (z) in the case of Construction Services, the needed expertise and experience is so specialized as to be outside the expertise and experience of most construction contractors.

(2) **Request for Proposals.** The Corporation shall issue a Solicitation in the form of a “Request for Proposals”.

(3) **Public Notice.** The Corporation shall provide adequate public notice for the Request for Proposals.

(4) **Receipt of Proposals.** When opening Responses for review, the Corporation shall not, for the duration of the restricted period, disclose the contents of the Responses to competing Offerors. A “Register of Proposals” shall be prepared and shall be open for public inspection after the restricted period. The Register of Proposals shall contain the names of all Offerors and the prices respectively proposed in their Responses.

(5) **Selection Criteria.** For purposes of this Section G, the Selection Criteria shall include but not be limited to the following: cost; whether the Offeror has the capacity to execute the contract in accordance with the Offeror’s Response; whether the Offeror has relevant experience and/or knowledge; and if relevant, whether the Offeror has experience in and knowledge of the community to be served or studied or in which work is to be performed. Procurement under this Section G need not be based exclusively on cost.

(6) **Discussion with Responsible Offerors and Revisions to Proposals.** With respect to those Responses that the Executive Director or the Consultant Committee (as applicable) deem to be (in their sole discretion) candidates for award, the Corporation may hold discussions with the relevant Offerors to clarify and fully understand their Responses. The Corporation shall treat such Offerors fairly and equitably, particularly in connection with providing opportunities to amend Responses so that the Corporation may obtain best and final Responses. The Corporation shall not divulge information derived from Responses submitted by competing Offerors except as provided in subsection 4 above.

Section H. CONTRACTORS RECOMMENDED BY CONSTRUCTION MANAGER

(1) **Applicability.** When the Corporation has retained a construction manager for Construction Services, any contract for Construction Services (other than the contract with the construction manager itself) or Construction-Related Supplies may be procured pursuant to the

procedure set forth in this Section H in lieu of other Competitive Methods of Procurement. For purposes of this Section H, “Executive Director” shall mean Executive Director or Consultant Committee as applicable.

(2) **Selection of Contractors.** Procurement under this Section H consists of the following: (a) the construction manager recommends to the Executive Director a minimum of five potential contractors; (b) the Executive Director reviews such list of potential contractors and determines which of them the Corporation considers to be appropriate; (c) the selected contractors are invited to submit Responses; (d) the construction manager and the Executive Director review the Responses and in their discretion, negotiate with some or all of the Offerors. Revisions may be permitted to obtain best and final Responses.

(3) **Award.** After consulting with the construction manager, the Executive Director shall recommend to the Board of Directors the Response and Offeror deemed to be the most advantageous to the Corporation. Procurement under this Section H need not be exclusively based upon cost.

(4) **Procurement of Construction Manager.** Nothing in this Procurement Policy may be construed to exempt the procurement of a construction manager by the Corporation from the requirements of this Procurement Policy.

Section I. USE OF OTHER GOVERNMENTAL CONTRACTS

Notwithstanding any other provision of this Policy, if there is a federal, State or City contract for Supplies and/or Services that permits the Corporation to utilize such contract or to obtain Supplies and/or Services from the contractor under substantially similar terms, the Corporation may utilize such existing contract (or enter into a new contract on substantially similar terms) without using any Competitive Method of Procurement. Procurement under this Section I need not be exclusively based upon cost.

Exhibit F

Board Self-Evaluation

Attached.

Board Self-Evaluation

- Board members have a shared understanding of the mission and purpose of NYCNCC.
- The policies, practices and decisions of the Board are always consistent with this mission.
- Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.
- The Board has adopted policies, by-laws and practices for the effective governance, management and operations of NYCNCC and reviews these annually.
- The Board sets clear and measurable performance goals for NYCNCC that contribute to accomplishing its mission.
- The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.
- Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.
- Board members are knowledgeable about NYCNCC's programs, financial statements, reporting requirements, and other transactions.
- The Board knows the statutory obligations of NYCNCC and if NYCNCC is in compliance with the law.
- Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.
- Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.
- Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.
- The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.
- The Board has identified the areas of most risk to NYCNCC and works with management to implement risk mitigation strategies before problems occur.