

NYC Neighborhood Capital Corporation
Minutes of the Meeting of the Board of Directors
December 13, 2019

A meeting of the Board of Directors (the “Board”) of NYC Neighborhood Capital Corporation (“NYCNCC” or the “Corporation”) was held on December 13, 2019 at 2:30pm at the New York City Economic Development Corporation (“NYCEDC”), 1 Liberty Plaza, New York, NY 10006.

The following directors or their designated representatives were present:

- Elizabeth Verostek, Senior Vice President, NYCEDC
- Susan Goldfinger, Senior Vice President, NYCEDC
- Melanie McMann, Vice President, NYCEDC
- Rebecca Gafvert, Vice President, NYCEDC
- Jervonne Singletary, Vice President, NYCEDC

The following directors or their designated representatives were not present:

- James Patchett, Chairperson, President, NYCEDC
- James Katz, Executive Vice President and Chief of Staff, NYCEDC
- Gbenga Dawodu, Senior Vice President, NYCEDC

Also present were the following members of NYCEDC staff:

- Spencer Hobson, Executive Vice President, NYCEDC
- Christine Robinson, Assistant Vice President, NYCEDC
- Mac Thayer, Assistant Vice President, NYCEDC and Executive Director, NYCNCC
- Julieanne Herskowitz, Vice President, NYCEDC
- Erich Bilal, Vice President, NYCEDC
- Tiffany Lackner, Senior Counsel, NYCEDC
- Meredith Jones, General Counsel, NYCEDC

Mr. Thayer convened the meeting of the Board of NYCNCC at 2:30 p.m., at which time 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 September 27, 2019.

Mr. Thayer asked for a motion to approve the minutes of the September 27, 2019 meeting. The motion was made, seconded and unanimously approved with no abstentions or recusals.

2. Review of Investment Activities

Mr. Thayer briefly reviewed NYCNCC's previous and current investment activities. He noted that the CDFI Fund had imposed a deadline of January 31, 2019 to deploy 30% of NYCNCC's most recent credit award, and that NYCNCC was on pace to meet that deadline.

Ms. Gafvert asked if there were any other upcoming deadlines. Mr. Thayer stated that there were not any other hard deadlines but that it behooved NYCNCC to deploy credits expediently in order to have better chances of receiving additional allocation. Ms. Verostek asked if the CDFI Fund evaluated the amount of credits a CDE deployed as part of the awards process. Mr. Thayer stated that this was correct. Mr. Hobson asked about the timing of the next awards cycle. Mr. Thayer stated that the CDFI Fund would likely make the announcement in the Summer of 2020.

3. Community Healthcare Network Betty Shabazz Health Clinic

Mr. Thayer provided an overview of the Community Healthcare Network Betty Shabazz Health Clinic project. He spoke about the sponsor, the project, the neighborhood, community impacts, the project financing, the financial health of the sponsor, and jobs to be created by the project.

Ms. Herskowitz asked about project's City Capital award. Ms. McMann provided more information on the City Capital award. Ms. Verostek and Ms. McMann noted that the NYCEDC team had reviewed the project with the City Law and OMB teams and had received positive feedback to proceed with the NMTC transaction.

Ms. Herskowitz and Ms. Goldfinger asked about MWBE and HireNYC goals. Mr. Thayer stated that the project had already been bid so there was not an official MWBE goal, but that he would reach out CHN to inquire how many of the subs were MWBE. Mr. Thayer stated that HireNYC did apply. Ms. McMann noted that the project did not require MWBE goals under the City Capital rules but that the new rules for City Capital would require MWBE goals. Ms. Jones noted that the HireNYC certificate was part of the standard NCC Programs and Policies template in the closing documents. Ms. Singletary noted that the project had strong community engagement and support.

Mr. Thayer asked for a motion to approve a \$10 million NMTC allocation for the CHN Betty Shabazz Project. The motion was made, seconded and unanimously approved with no abstentions or recusals.

4. Bogopa Food Bazaar Bronx Terminal Market Project

Mr. Thayer provided an overview of the Bogopa Food Bazaar Bronx Terminal Market supermarket project. He spoke about the sponsor, the project, the neighborhood, community impacts, the project financing, the financial health of the sponsor, and jobs to be created by the project.

Ms. Herskowitz asked about the uses of funds, the timing of construction, and the length of the lease. Mr. Thayer noted that the NMTC proceeds would fund hard costs, softs costs, inventory and working capital. He also noted that the project would include a Food Hall with space for a dozen local food vendors. Mr. Thayer noted that the project would be completed in early 2021 and that that the project would have a long-term lease of 15 years with extensions.

Ms. Singletary asked about FRESH sales tax exemption and also the employee unions. Mr. Thayer stated that the project would receive a FRESH sales tax exemption and that the majority of employees were unionized.

Mr. Hobson asked about debt levels and debt service. Mr. Thayer noted that the company's leverage ratio and DSCR were relatively healthy. Ms. Verostek stated that the investment committee had also reviewed the company's plans for expansion with respect to debt levels and asked Mr. Thayer for comment. Mr. Thayer stated that company planned to open additional new stores, and would probably use debt to do so. Mr. Thayer noted that the company's lenders had established guidelines for debt levels that would help ensure that the company maintained a responsible level of debt.

Mr. Thayer asked for a motion to approve a \$6.5 million NMTC allocation for the Bogopa Food Bazaar Bronx Terminal Market Project. The motion was made, seconded and unanimously approved with no abstentions or recusals.

5. Other Business

Ms. McMann asked if there was any update on the use of NCC cash balance, and a general conversation ensued. Mr. Thayer stated that there had been some discussion internally and within the Advisory board but as of yet nothing had been definitely decided.

6. 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 3:30 p.m.

Approved by:

NYC NEIGHBORHOOD CAPITAL CORPORATION

By: _____
Mac Thayer, Executive Director



NYC Neighborhood Capital Corporation