

NYC Neighborhood Capital Corporation
Minutes of the Meeting of the Board of Directors
September 27, 2019

A meeting of the Board of Directors (the “Board”) of NYC Neighborhood Capital Corporation (“NYCNCC” or the “Corporation”) was held on September 27, 2019 at 3pm 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
- Jervonne Singletary, Vice President, NYCEDC
- Gbenga Dawodu, Senior Vice President, NYCEDC
- James Katz, Executive Vice President and Chief of Staff, NYCEDC
- Susan Goldfinger, Senior Vice President, NYCEDC
- Priya Ananthanathan, Alternate for Melanie McMann, Vice President, NYCEDC

The following directors or their designated representatives were not present:

- James Patchett, Chairperson, President, NYCEDC
- Nate Bliss, Senior Vice President, NYCEDC
- Rebecca Gafvert, Vice President, NYCEDC

Also present were the following members of NYCEDC staff:

- Kim Vaccari, CFO, NYCEDC and CFO, NYCNCC
- Spencer Hobson, Executive Vice President, NYCEDC and Treasurer, NYCNCC
- Amy Chan, Deputy Controller, NYCNCC and Assistant Treasurer, NYCNCC
- Christine Robinson, Assistant Vice President, NYCEDC
- Adam Lewis, Senior Counsel, NYCEDC
- Mac Thayer, Assistant Vice President, NYCEDC and Executive Director, NYCNCC

Mr. Thayer convened the meeting of the Board of NYCNCC at 3:05 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 June 26, 2019.

Mr. Thayer asked for a motion to approve the minutes of the June 26, 2019 meeting. The motion was made, seconded and unanimously approved with no abstentions or recusals.

2. Form of Board Resolutions for PAAA Items

Mr. Thayer referred the board members to Tab 1 of the board book, which contained printed board resolutions for the following items: Audited Financial Statements for Fiscal Year Ended June 30, 2019; Investment Report for Fiscal Year Ended June 30, 2019; Performance Measurements Report for Fiscal Year Ended June 30, 2019; Board Self-Evaluation Survey for Fiscal Year Ended June 30, 2019; PAAA Annual Report for Fiscal Year Ended June 30, 2019; and NPCL Annual Report of the Board of Directors for Fiscal Year Ended June 30, 2019.

Mr. Thayer stated that these items would be presented to the board members as the next six agenda items, and that he would seek a board resolution for each item that reflected the resolutions found on Tab 1.

3. Audited Financial Statements for Fiscal Year Ended June 30, 2019

Ms. Chan gave a presentation of the results of the Financial Audit of the Corporation including the Corporation's Total Assets, Total Liabilities, Ending Net Position and Income Statement. Ms. Chan noted that the Corporation's auditor Novogradac & Company had issued an unmodified, or "clean" opinion, and that the results of the financial audit had been presented to and approved by the NYCNCC Audit Committee.

Ms. Verostek asked about the Corporation's consulting fees and legal fees. Ms. Chan stated that the consulting fees were calculated as a percentage of each transaction. Ms. Robinson and Mr. Thayer discussed the closing legal fees that NYCNCC had absorbed related to the Navy Yard Building 127 transaction. A general discussion ensued related to the fees both earned and incurred by the Corporation.

Ms. Verostek, in her capacity as Chair of the Audit Committee, asked for a motion to approve the audited financial statements, independent auditor's report and management's discussion and analysis for the fiscal year ended June 30, 2019. The motion was made, seconded and unanimously approved with no abstentions or recusals.

4. Investment Report for Fiscal Year Ended June 30, 2019

Ms. Chan noted that the Authorities Budget Office required NYCNCC to submit a report on its investment activity as well as a copy of the Corporation's Investment Guidelines Policy. Ms. Chan noted that NYCNCC did not have any investments other than money market funds and that NYCNCC had received approximately \$13,000 of interest income for the year, which was summarized in the Investment Report included under Tab 4. In response to a question from Mr. Hobson, Ms. Chan stated that the Investment Guidelines Policy allowed for the purchase of commercial paper.

Mr. Thayer asked for a motion to approve the Investment Report for the fiscal year ended June 30, 2019. The motion was made, seconded and unanimously approved with no abstentions or recusals.

5. Performance Measurements Report for Fiscal Year Ended June 30, 2019

Mr. Thayer provided a report on NYCNCC's five closed projects in accordance with the performance measurements developed in consultation the Governance Committee and authorized at the June 26, 2019 Board meeting. Ms. Goldfinger suggested that it would be helpful to add additional financial information on each project to next year's Performance Measurement Report. Mr. Thayer stated that he would do so.

Mr. Thayer asked for a motion to acknowledge receipt of the Performance Measurements Report for the fiscal year ended June 30, 2019. The motion was made, seconded and unanimously approved with no abstentions or recusals.

6. Board Self-Evaluation Survey for Fiscal Year Ended June 30, 2019

Mr. Thayer provided a report on the annual board self-evaluation survey. Mr. Thayer stated that five out of nine board members had completed the survey. Mr. Thayer stated that the only "disagree" response was on Question thirteen relating to Board oversight of Executive Staff of the Corporation. Mr. Omolade noted that the similar results had been received for the IDA and BuildNYC board self-evaluation surveys, and that the question was somewhat ambiguous given the unique governance structure of NYCNCC, IDA and BuildNYC as corporations staffed by employees of NYCEDC.

Mr. Thayer asked for a motion to acknowledge the receipt of the Board Self-Evaluation Survey Results for the fiscal year ended June 30, 2019. The motion was made, seconded and unanimously approved with no abstentions or recusals.

7. PAAA Annual Report for Fiscal Year Ended June 30, 2019

Mr. Thayer noted that the Authorities Budget Office required the submission of certain financial information from the annual audit in the form of a PAAA Annual Report which was submitted to the Authorities Budget Office each year. Mr. Thayer noted that this report had been completed, as shown on Tab 8 of the board book, and was ready to be submitted to the Authorities Budget Office.

Ms. Verostek noted approximately \$5,000 of restricted cash listed on the PAAA Report and asked what this represented. Ms. Robinson stated that this was related to capital contributions made by NYCNCC to capitalize the Corporation's Sub-CDEs upon formation. Mr. Hobson, Ms. Robinson and Mr. Thayer briefly discussed the Sub-CDEs and their capitalization.

Mr. Thayer asked for a motion to submit the Annual Report for the fiscal year ended June 30, 2019 to the applicable governmental authorities. The motion was made, seconded and unanimously approved with no abstentions or recusals.

8. NPCL Annual Report of the Board of Directors for Fiscal Year Ended June 30, 2019

Mr. Thayer presented the NPCL report to the meeting attendees, and noted that the report went to the Authorities Budget Office as part of the annual PAAA reporting.

Mr. Thayer asked for a motion to approve the NPCL Annual Report of the Board of Directors for the fiscal year ended June 30, 2019. The motion was made, seconded and unanimously approved with no abstentions or recusals.

9. Part of the Solution (POTS)

Mr. Thayer gave a presentation on the expansion project proposed by Part of the Solution (“POTS”) on Webster Avenue in the Bronx. Mr. Thayer spoke about the organization, the expansion project, the project sources and uses, and community support. Mr. Thayer stated the project had been unanimously recommend to the Governing Board by the Advisory Board on September 18, 2019, and that the project had also been reviewed and approved by the NYCNCC Investment Committee. Mr. Thayer asked if the members of the Investment Committee would like to comment on the Project.

Ms. Goldfinger stated that the Investment Committee had reviewed the project and recommended that the Board vote in favor of the project. Ms. Goldfinger noted that a concern over potential complications arising from the combination of city capital and New Markets Tax Credits that could delay the project closing, but that overall it was a good project and suitable for NMTC investment.

Mr. Thayer thanked Ms. Goldfinger and stated that the Funding Agreements team was being very helpful in terms of addressing the City capital and NMTC structure, and that he had confidence the structure issues could be resolved expediently.

Mr. Thayer asked for a motion to approve an allocation of \$9,000,000 NMTCs from NYCNCC’s CY 2018 Allocation Award to the POTS project. The motion was made, seconded and unanimously approved with no abstentions or recusals.

10. 2019 New Markets Tax Credit Application

Mr. Thayer noted that the CY 2019 NMTC Application had been released by the CDFI Fund and would be due at the end of October. Mr. Thayer noted that there was new rule which required CDEs to deploy thirty percent of their NMTC allocation by January 31, 2020 in order to be eligible for the CY 2019 application.

Mr. Thayer asked for a motion to approve the submission of the CY 2019 NMTC Application. The motion was made, seconded and unanimously approved with no abstentions and recusals.

11. 2019/2020 Project Pipeline Review

Mr. Thayer provided an overview of additional projects for consideration. A discussion ensued with respect to the merits of various projects.

12. 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 4:00 p.m.



Approved by:

NYC NEIGHBORHOOD CAPITAL CORPORATION

By:

Mac Thayer, Executive Director



NYC Neighborhood Capital Corporation