

Build NYC Resource Corporation Finance Committee Discussion

The Finance Committee convened on January 12, 2022 to discuss the following projects:

- Center for Urban Community Services, Inc.
- Richmond University Medical Center

Finance Committee Members: Andrea Feirstein, Anthony Del Vecchio, and Barry Dinerstein

Build NYC Staff Members: Emily Marcus and Jenny Osman

Start: 2:00 PM

End: 2:30 PM

Center for Urban Community Services, Inc.

Center for Urban Community Services, Inc. (the “Institution”), a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the “Code”), as borrower, is seeking approximately \$28 million in tax-exempt notes (the “Notes”). Proceeds from the Notes will be used to: (i) finance the acquisition, renovation, equipping and furnishing of an approximately 23,020 square foot, 6-story building located on an approximately 4,613 square foot parcel of land located at 105 Washington Street, New York, New York 10006 (the “Facility”); and (ii) pay for certain costs related to the issuance of the Notes. The Facility will be owned and operated by the Institution as an 84-bed safe haven for chronically homeless single adults and couples with mental illness, which will also provide on-site psychiatry and primary care and other programs, all in furtherance of the Institution’s exempt purpose of creating housing and service programs for homeless and low-income people, including those suffering from serious mental illness, HIV/AIDS, and other disabling conditions.

Mr. Dinerstein asked how eligibility for staying at a CUCS facility is determined.

Ms. Osman responded that she would ask about the screening process and stay durations. She added that as CUCS seeks to serve the chronically homeless, it is likely that most people there would not be experiencing their first night of homelessness or home insecurity.

Mr. Dinerstein asked if the organization operated like a hostel, where lodging is allocated on a daily first-come first-served basis.

Ms. Osman offered to follow-up to best address the question asked.

Mr. Dinerstein asked if individuals are placed via social workers in a system where a CUCS facility acts as their home with no need for nightly check-ins until a caseworker finds someone a more permanent and appropriate home.

Mr. Del Vecchio seconded the question.

Ms. Marcus stated that she believed it was a combination of different lengths of stay. She added that provisions are also in place so that couples and individuals with pets can have housing security.

Ms. Feinstein asked if the calculated debt service coverage ratio was based on a \$28 million bond issuance.

Ms. Osman responded in the affirmative and added that the ratio is based on both the new issuance and the organization's existing debt.

The committee recommended the Project to seek authorization at the January 18th Board meeting.

Richmond University Medical Center

The applicant is Richmond Medical Center, doing business as Richmond University Medical Center ("RUMC"), a New York not-for-profit corporation, which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 and which provides hospital and/or other health-care services. RUMC is seeking approximately \$30,000,000 in tax-exempt and taxable revenue bonds (the "2022 Bonds"). Proceeds from the 2022 Bonds will be used as part of a plan of financing to: (1) finance (i) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising RUMC's campus at 355 Bard Avenue, Staten Island New York (the "Campus"), which is bounded by Bard Avenue on the west, Moody Place on the north, Kissel Avenue on the east and Castleton Avenue on the south, (ii) other hospital expansions, renovations and equipment to be located on the Campus, (iii) the acquisition and renovation of a building at 737-741 Castleton Avenue, Staten Island, New York for use as medical offices and administration (collectively, the "Facilities"); (2) fund a debt service reserve fund; and (3) pay for certain costs related to the issuance of the 2022 Bonds (collectively, the "Project"). The Facilities will be owned by RUMC and will allow RUMC to enhance and expand its medical and health care.

Mr. Dinerstein asked if Richmond Medical Center's other operating rooms will be functional while the construction of this project is ongoing.

Ms. Marcus answered yes, as the current project is a new building that will not interfere with or interrupt the operation of the existing emergency room and operating room facilities.

Ms. Feinstein asked if the relationship between Mt. Sinai and Richmond University Medical Center could be further elaborated.

Ms. Marcus said that it is an academic affiliation. So, doctors and residents from Mt. Sinai will go to Richmond and vice versa.

Ms. Feinstein expressed interest in Preston Hollow capital, as they have invested \$160 million for a previous bond offering at the same hospital.

Ms. Marcus explained that Preston Hollow Capital specializes in impact finance. As a result, the hospital is a part of their mission and they have a strong relationship with the hospital. To Preston Hollow capital, this investment may be seen as a new series of the original outstanding principal. While that is not the case, it appears to be how the transaction is being treated. As a result of taking on additional debt, they are asking for more collateral that extends across both issuances.

Ms. Feinstein asked if Preston Hollow is based in New York.

Ms. Marcus replied that they are based in Texas but work on projects nationally.

The committee recommended the Project to seek authorization at the January 18th Board meeting.



Noah Schumer
Assistant Secretary