

Compliance & Build NYC Projects

The Compliance Department at the Build NYC Resource Corporation (BNYC) works collaboratively with stakeholders to help ensure successful Projects. It does so by educating Project representatives, monitoring Project milestones, and collecting Project information for public reports required by State and Local laws

Education

Each BNYC Project is assigned a Compliance Project Manager. If you are unsure who your Compliance Project Manager is, please call the Compliance Hotline at (212) 312-3963 or email ComplianceReporting@nycedc.com.

We are here to help! Please contact your Compliance Project Manager if you have any questions about your Project. The Compliance Project Manager will meet with your Project's representative to discuss and review the requirements contained in the Loan Agreement. By proactively educating Project representatives about these requirements, issues that could impair a Project's success are frequently avoided. In addition, the Compliance Project Manager serves as the Project's point-of-contact for all Project-related questions for the life of the Project. By developing a long-term relationship with Projects, the Compliance Project Manager helps Projects navigate the requirements of the Loan Agreement.

Monitoring

While each Project has unique requirements, there several areas that Compliance is required to monitor:

- ***Employment & Benefit Reporting*** – On an annual basis, Compliance sends Projects an Employment and Benefit Report that collects information about employment at the Project location and benefits received by the Project. This report is due every **August 1st**.
 - **See Section 8.16(b) of the Loan Agreement.**
- ***Construction Milestones*** – Compliance is responsible for verifying that construction requirements contained in the Loan Agreement are met. In the event that delays develop, Compliance will work with your Project to discuss and if possible adjust any deadlines included in the Loan Agreement. Your Project's Completion Deadline if applicable, will be specifically assigned in the Agreement. A Project Completion Certificate, with all of the required attachments, must be submitted by this date, or your Project's Completion Date must be extended upon a formal request and a payment of a fee.
 - **See Section 3.2, 8.14(g), and Exhibit G of the Loan Agreement**
- ***Insurance*** – Compliance works with Projects to make sure that the required level of insurance is maintained. At your Project's closing, an insurance certificate evidencing the required levels of insurance will be submitted to BNYC. We require that you maintain this level of insurance throughout the life of your Project and will request updated insurance certificates as needed. In addition, all construction performed at the Facility triggers additional insurance requirements. Please contact us when you anticipate that construction will be performed.
 - **See Section 8.1 of the Loan Agreement.**

- **Permitted Encumbrance** – Listed in the definitions of the Loan Agreement are examples of encumbrances permitted under the Agreement. Encumbrances beyond those permitted in the Agreement, such as an additional mortgage, requires advanced written notice for the Trustee and/or Corporation’s consent and approval.
 - **See Definition of Permitted Encumbrances and Section 8.13 of the Loan Agreement**
- **Tenants** – The Loan Agreement contains restrictions on leasing to third parties. Compliance monitors these restrictions and manages the tenant approval process. BNYC approval is required before any portion of the Facility can be subleased to entities that are not explicitly listed as preapproved subtenants in the Loan Agreement. In addition, all Projects are required to submit an annual Subtenant Occupancy Survey, which is due on February 1.
 - **See Section 8.9 of the Loan Agreement.**
- **Field Visits** – Field Visits are performed to monitor Project milestones, verify reported information, and meet with Project representatives face-to-face to discuss any questions that may be surrounding the Project.
- **Recapture** – The benefits your Project receives are subject to repayment on the occurrence of certain defined Recapture Events within the Recapture Period. Recapture Events include but are not limited to: failing to complete the required instruction by the Completion Date, subleasing to third parties without BNYC consent, ceasing operations, and selling the Facility.
 - **See Section 5.1 of the Loan Agreement.**
- **Administrative Fees** – An Annual Administrative Fee is due every **July 1st**. This fee may be adjusted periodically by BNYC’s Board of Directors.
 - **See Section 8.3 of the Loan Agreement.**
- **Late Delivery Fees** – Failure to submit certain requested or required documents will result in the imposition of a \$10/day late fee. We make every effort to avoid the imposition of Late Delivery Fees by proactively reminding Projects of upcoming deadlines. Please do not ignore emails or mailings from the Compliance team.
 - **See Section 9.9 of the Loan Agreement.**
- **Private School Policy [if applicable]** – *As per* corporation policy, Private Schools are required to submit a School Annual Scholarship Survey and a written report demonstrating compliance with financial aid and facility sharing requirements. This survey and report is due every **August 1st**.
 - **See Section 8.28 and Exhibit K of the Loan Agreement**
- **HireNYC [if applicable]** – Your Project must collaborate with NYCEDC and the New York City Department of Small Business Services or such other a New York City agency as may be designated by NYCEDC to achieve the hiring and workforce development goals of the HireNYC Program and shall perform the requirements of the HireNYC Program, all as set forth in the Agreement.
 - **See Section 8.29 and Exhibit I of the Loan Agreement**

Public Reports

Compliance is also responsible for reporting publicly certain information about Projects, as required by State and Local law. This information typically is centered on the employment at a Project location and the benefits received by a Project. Because this information is publicly reported, it is critical that Projects work with Compliance to provide accurate data in a timely fashion.