

**Build NYC Resource Corporation
Finance Committee Discussion**

The Finance Committee convened on July 17th, 2025, to discuss the following project(s):

- Teachers Village School Impact Mott Haven LLC
- Friends of Prospect Schools NY, Inc.
- NCS 411 Wales, LLC
- REN 4520 83rd Street, LLC
- Tremont Park Facility, LLC

Finance Committee Members: Francesco Brindisi, Randy Peers, and Richard Eaddy

Build NYC and NYCEDC Staff Members: Brinda Ganguly, Emily Marcus Falda, Noah Schumer, Michael Parella, Weston Rich, Sophie King, and Leyla Arcasoy

Start: 1:05 PM

End: 1:58 PM

Teachers Village School Impact Mott Haven, LLC

Teachers Village Social Impact Mott Haven, LLC (the “Borrower”), a Delaware limited liability company and a disregarded entity for federal income tax purposes, whose sole member is Teachers Village Social Impact, Inc. (“TVSI”), a New Jersey not-for-profit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), is seeking approximately \$213,109,668 in tax-exempt and/or taxable bonds (the “Bonds”). The Borrower was created to acquire the ground lease of, complete the development of, and operate a 452-unit multifamily residential building. The tax-exempt Bonds will be issued as part of a plan of finance of qualified 501(c)(3) bonds under Section 145 of the Code. Proceeds of the Bonds will be used to finance and/or reimburse a portion of the costs of: (i) the ground lease acquisition, renovation, furnishing, and equipping of an approximately 401,436 square foot, 13-story multifamily residential building, including an approximately 155-car below-grade parking garage, located on an approximately 44,451 square foot parcel of land located at 120 East 144th Street, Bronx, New York (the “Facility”); (ii) funding capitalized interest; (iii) funding one or more debt service reserve and other reserve or project-related funds; and (iv) paying certain costs related to the issuance of the Bonds ((i-iv) collectively, the “Project”). The Borrower will own and operate the Facility as a 452-unit multifamily residential building, with at least 86-units set aside for individuals with incomes at or below 80% of the area median income (“AMI”), on land leased from a third-party property owner and developer. In addition to the anticipated 86-units at or below 80% AMI, the Borrower is expecting to set aside approximately 127 units for individuals with incomes at or below 130% of the AMI.

Mr. Peers confirmed that the Borrower is taking over an existing project agreement and therefore eligible for a 421-a agreement. Mr. Peers asked what the purchase price is. Mr. Rich stated that it's \$225,000,000. Ms. Marcus Falda added that an independent third party appraisal was received.

Mr. Peers asked for clarification on the proposed additional 78 affordable housing units created in connection with the project. Mr. Rich stated that this number was proposed by the applicant. Ms. Marcus Falda clarified that staff is exploring the idea for precedence for a potential pilot program that requires applicants to exceed the existing income regulatory requirements.

Mr. Peers asked for more information on Teachers Village. Mr. Rich stated that Teachers Village is a nonprofit borrower and they're partnering with a private developer called RBH Group. Mr. Rich elaborated that Teachers Village is primarily focused on educators and seniors to the extent viable under the law. Ms. Marcus Falda highlighted an example of their original project in Newark, NJ.

Mr. Eaddy asked for confirmation on the project's ground lease. Mr. Rich stated the project is a ground lease acquisition which is reported as an acquisition price. Mr. Rich elaborated that the project would involve an upfront payment of \$225,000,000 with monthly ground lease payments to the property owner.

Mr. Peers asked how the involvement of the original developer will change. Ms. Marcus Falda stated that the original developer's 421-a agreement will have to be transferred to the nonprofit which will be assuming control of the building. Mr. Rich provided additional insight into the relationship between Teachers Village and the original developer.

Mr. Brindisi asked about the tax-exempt financing structure. Mr. Rich stated that, while this financing structure is newer to New York City, the project underwriter confirmed that it has become a more common financing source within the last 5 years. Mr. Brindisi asked for examples. Mr. Schumer provided examples and offered to follow up with more information.

Mr. Brindisi asked how the Borrower received 501(c)(3) eligibility. Mr. Rich elaborated on the process of accessing taxes and bond financing under the IRS code. Ms. Marcus Falda, Ms. Ganguly, and Mr. Brindisi engaged in further discussion.

Mr. Brindisi and Mr. Rich discussed the minimum Area Median Income (AMI) requirements that must be met for the project's affordable units.

Mr. Brindisi asked about the present value of the tax expenditure. Ms. Marcus Falda stated the total cost to the city is \$6,000,000 and \$18,000,000 to the state, not net of the Corporation fee.

Mr. Brindisi highlighted that income requirements for Low-Income Housing Tax Credits (LIHTC) are more stringent than what the project is proposing.

Mr. Brindisi asked how Teachers Village defines indicators of their company's mission to provide housing to educators and seniors. Ms. Marcus Falda and Mr. Rich explained that Teachers Village intended audience is anyone who works in an educational facility.

Mr. Peers asked if units would be permanently affordable. Mr. Rich stated through the 421-a agreement units will be affordable for 35 years as well as being subject to rent stabilization.

With no additional questions, the Committee recommended the project seek authorization at the July 22nd Board meeting.

Friends of Prospect Schools NY, Inc.

Friends of Prospect Schools NY, Inc. (the "Borrower"), 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, as amended (the "Code"), seeks approximately \$70,000,000 in tax-exempt and/or taxable bonds (the "Bonds"). The Borrower supports the operation and educational mission of Brooklyn Prospect Charter Schools (the "School"). The School is a New York not-for-profit education corporation exempt from federal taxation pursuant to the Code and operates seven public charter schools serving over 2,600 students in kindergarten through Grade 12. The tax-exempt bonds will be issued as part of a plan of finance as qualified 501(c)(3) bonds for educational facilities under Section 145 of the Code. Proceeds of the Bonds will be used to finance and/or refinance: (i) the construction, furnishing and equipping of a new high school facility consisting of an approximately 108,000 square foot portion of an existing approximately 880,000 square foot building located on an approximately 76,094 square foot parcel of land at 181 Livingston Street Brooklyn New York (the "Livingston Facility"), which is being developed as a turnkey facility, in which certain condominium units are leased by the Borrower from a third-party landlord, and will be subleased by the Borrower to the School who will, upon its completion, operate the Livingston Facility as a high school serving students from Grades 9 through 12; (ii) the renovation, furnishing and equipping of certain improvements at four of the Borrower's currently leased facilities, consisting of: (a) an existing approximately 70,000 square foot facility located on an approximately 42,070 square foot parcel of land at 3002 Fort Hamilton Parkway, Brooklyn, New York (the "Fort Hamilton Facility") which houses the School's current high school, to be relocated to the Livingston Facility and the Fort Hamilton Facility will be renovated into a new elementary and middle school serving students from kindergarten through Grade 8; (b) an existing approximately 33,000 square foot facility located on an approximately 10,296 square foot parcel of land at 1100--1106 Fulton Street, Brooklyn, New York (the "Fulton Facility"), which houses the School's Clinton Hill Middle School, serving students in Grades 6 through 8; (c) an existing approximately 38,000 square foot facility located on an approximately 53,000 square foot parcel of land at 272 Macon Street, Brooklyn, New York (the "Macon Facility"), which houses the School's International Elementary School, serving students in kindergarten through Grade 5; and (d) an existing approximately 66,000 square foot facility located on an approximately 6,250 square foot parcel of land at 80 Willoughby Street, Brooklyn, New York (the "Willoughby Facility"), which houses the School's downtown campus for its elementary and middle schools, serving students from kindergarten through Grade 8 (the Willoughby Facility, together with the Livingston Facility, the Fort Hamilton Facility, the Fulton Facility and the Macon Facility, collectively, the "Facilities"); (iii) the funding of one or more debt service reserve funds, capitalized interest funds and other reserves for the Bonds; (iv) certain outstanding indebtedness, the proceeds of which were used to fund the renovation of the Willoughby Facility, the Fort Hamilton Facility and the Fulton Facility; and (v) certain costs of issuance in connection with the Bonds ((i)-(iv), collectively, the "Project"). The Facilities are leased by the Borrower and will be subleased by the Borrower to the School, which will operate the Facilities as a public charter school serving approximately 2,264 students in kindergarten through Grade 12.

There being no questions, the Committee recommended the project to seek authorization at the July 22nd Board meeting.

NCS 411 Wales, LLC

NCS 411 Wales, LLC, a New York limited liability company and a disregarded entity for federal income tax purposes (the "Borrower"), whose sole member is Friends of NCSH, Inc. ("Friends"), 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, as amended (the "Code"), is seeking \$30,000,000 in tax-exempt and/or taxable bonds (the "Bonds"). Friends' mission is to support Neighborhood Charter Schools, a New York not-for-profit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Code (the "School"). The School currently operates a public charter school serving students from Kindergarten through Grade 6 at a leased two-story 56,109 square foot facility located on a 32,498 square foot parcel of land having an address of 411 Wales Avenue, Bronx, New York (the "Facility"). Proceeds of the Bonds will be used to: (i) finance the costs of the Borrower acquiring leasehold condominium units and the associated leasehold interest in the Facility from its landlord who itself is currently leasing the Facility from the property owner; (ii) fund one or more debt service reserve funds; and (iii) pay for certain costs related to the issuance of the Bonds ((i-iii) collectively, the "Project"). The Borrower will sublease the leasehold condominium units to the School, who will continue to operate the Facility as a public charter school, expanding its enrollment to serve approximately 600 students from Kindergarten through Grade 8.

Mr. Brindisi asked for clarification on the economic life of the Bonds. Ms. Marcus Falda stated that bond counsel conducts an analysis as part of closing and that staff would follow up with more information.

With no additional questions, the Committee recommended the project to seek authorization at the July 22nd Board meeting.

REN 4520 83rd Street, LLC

The borrower will be REN 4520 83rd Street, LLC (the "Borrower"), which is a New York limited liability company and a disregarded entity for federal income tax purposes, whose sole member is Friends of the Renaissance Charter Schools, Inc., a New York not-for-profit corporation ("Friends") exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Friends supports The Renaissance Charter School 2, a New York not-for-profit education corporation (the "School") exempt from federal taxation pursuant to Section 501(c)(3) of the Code. The Borrower is seeking approximately \$97,000,000 in tax-exempt and/or taxable bonds (the "Bonds"). The tax-exempt bonds will be issued as part of a plan of finance of qualified 501(c)(3) bonds for educational facilities under Section 145 of the Code. The School currently operates a public charter school at a leased four-story 68,347 square foot facility located on a 24,334 square foot parcel of land having an address of 45-20 83rd Street, Queens, New York (the "Facility"). Proceeds of the Bonds will be used to (i) finance the costs of the Borrower in acquiring ownership of the building and improvements constituting leasehold condominium units and comprising the Facility, but excluding the underlying land which will be separately leased to the Borrower by the owner of the land; (ii) fund one or more debt service reserve funds; and (iii) pay for certain costs related to the issuance of the Bonds ((i-iii) collectively, the "Project"). The Borrower will own the building and improvements comprising the Facility, and will have a leasehold interest in the underlying land, and will lease the building and the improvements, and sublease the land, to the School. The School will continue to operate the Facility as a public charter school expanding its current enrollment to serve approximately 1,053 students from Kindergarten through Grade 12.

Mr. Peers confirmed the leasing and ownership structure of the project. Ms. King stated that the borrower will execute a ground lease for the real property and purchase the building for a price of \$85,000,000.

With no additional questions, the Committee recommended the project to seek authorization at the July 22nd Board meeting.

Tremont Park Facility, LLC

Tremont Park Facility LLC, as borrower (the “Borrower”), a New York limited liability company and a disregarded entity for federal income tax purposes, whose sole member is Zeta Charter Schools, Inc. (“Zeta CMO”), a Delaware not-for-profit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), is seeking approximately \$25,000,000 in tax-exempt and/or taxable bonds (the “Bonds”). Zeta CMO provides academic, business and management services to Zeta Charter Schools – New York City (“Zeta NYC”), a New York not-for-profit education corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Code, which operates public charter schools. The tax-exempt bonds will be issued as part of a plan of finance of qualified 501(c)(3) bonds under Section 145 of the Code. Proceeds of the Bonds will be used to finance or refinance a portion of the costs of: (i) the acquisition by the Borrower of an approximately 2,900 square foot parcel of land located at 517 East 178th Street a/k/a 4259 Third Avenue, Bronx, New York (the “Land”); (ii) the construction, furnishing, and equipping of a new six-story approximately 16,750 square foot facility on the Land (the “2025 Facility”); (iii) capitalized interest on the Bonds; (iv) one or more debt service reserve funds, if required; and (v) certain costs related to the issuance of the Bonds ((i-v) collectively, the “Project”). The 2025 Facility will be combined with an adjacent approximately 65,322 square foot facility currently under construction by the Borrower (the “2024 Facility”) located at 4261 Third Avenue, Bronx, New York and 4263 Third Avenue, Bronx, New York, which when combined, will comprise six stories and approximately 82,072 square feet in aggregate (the 2024 Facility and the 2025 Facility, collectively, the “Facility”). The Facility will be owned by the Borrower and leased to Zeta NYC, which will operate the Facility as a public charter school serving approximately 990 students anticipated to be in Grades 3 to 8.

Mr. Brindisi asked how this project would fit into the network’s overall strategy given the last project authorized by Build NYC for the same network. Mr. Rich stated that this project will have a relatively modest impact on the School’s network and explained the structural differences between this project and previous projects brought forward by the Borrower.

Mr. Brindisi asked for clarification on projections showing the student population increasing from 3,000 to 16,000 students. Mr. Rich explained the expected increase in student enrollment over the next five years.

Mr. Brindisi asked if this was unusual for a charter school to grow this fast. Mr. Rich confirmed that the network has an ambitious growth strategy and further elaborated.

Mr. Brindisi asked what would happen upon termination of the Bonds in four years. Mr. Rich clarified that the School would seek to refinance the Bonds with the intention of securing lower interest rates.

Mr. Brindisi asked for clarification on the revolving fund. Mr. Rich confirmed that the Equitable Facilities Fund (EFF) is the parent entity that created a special revolving fund to serve as the Bondholder.

Mr. Peers asked about the risk of charter schools closing. Ms. Marcus Falda explained that Build NYC’s risk-mitigating approach is to require that charter schools have at least one charter renewal before issuing bonds. She highlighted that there is a strong demand for school facilities, should something happen to the network where they would have to sell the building.

With no additional questions, the Committee recommended the project to seek authorization at the July 22nd Board meeting.


Noah Schumer (Sep 29, 2025 11:03:15 EDT)

Noah Schumer
Deputy Executive Director, Build NYC