



NYC Neighborhood Capital Corporation

Minutes of the Meeting of the Board of Directors

September 30, 2024

A meeting of the Board of Directors (the “Board”) of NYC Neighborhood Capital Corporation (“NYCNCC” or the “Corporation”) was held on September 30, 2024, at 1:30 pm at One Liberty Plaza, Room 14A, and by audio and video conference.

The following directors or their designated representatives were present:

- Melissa Román-Burch, Chief Operating Officer, NYCEDC
- Mikelle Adgate, Senior Vice President, NYCEDC
- Melanie McMann, Senior Vice President, NYCEDC
- Matthew Furlong, Vice President, NYCEDC
- Yu Zhong, Vice President, NYCEDC
- Gregory Sullivan, Assistant Vice President, NYCEDC

Also present were the following members of NYCEDC staff:

- Emily Marcus Falda, Vice President, NYCEDC
- Brinda Ganguly, Executive Vice President, NYCEDC
- Izzy Cohn, Senior Counsel, NYCEDC
- Shin Mitsugi, Vice President, NYCEDC
- Sonia Ruocco, Vice President, NYCEDC
- Spencer Hobson, Executive Vice President, NYCEDC
- Eric Katz, Senior Vice President, NYCEDC
- Chu Li, Assistant Vice President, NYCEDC
- Leslie Escobar, Deputy Controller, NYCEDC
- Audrey Ellen, Assistant Vice President, NYCEDC
- Michael Parella, Assistant Vice President, NYCEDC
- Weston Rich, Senior Associate, NYCEDC
- Sophie King, Senior Associate, NYCEDC
- Joseph Taecker-Wyss, Associate, NYCEDC
- Leyla Arcasoy, Associate, NYCEDC
- Coco Mong, FIRE Fellow, NYCEDC
- Ashley Dills, Senior Vice President, United Fund Advisors

Mrs. Marcus-Falda convened the meeting of the Board of NYCNCC at 1:34 p.m., at which time a quorum was present.

1. Approval of February 27, 2024 Meeting Minutes

Mrs. Marcus-Falda brought up the first item for consideration, which was approval of the minutes of the Governing Board meeting held on February 27, 2024. Mrs. Marcus-Falda asked



for a motion to approve the minutes of the February 27, 2024 meeting. The motion was made, seconded, and unanimously approved with no abstentions or recusals.

2. 2024 Public Authorities Accountability Act Items.

Mrs. Marcus-Falda presented the next item, which was the presentation of the 2024 Public Authorities Accountability Act Items. Mrs. Marcus-Falda also highlighted the annual board member survey, asking the Members of the Board to complete.

There being no additional questions, a collective motion to approve the appointments and Public Authorities Accountability Act items was made, seconded, and unanimously approved with no abstentions or recusals.

3. Audited Financial Statements for Fiscal Year ending June 30, 2024
4. Investment Report and Schedule of Investments for Fiscal Year ending June 30, 2024

Mrs. Marcus-Falda brought up the next two items, where were the presentations of the audited financial statements as well as the investment report and schedule of investments for the 2024 Fiscal Year, to be presented by Ms. Escobar and Mr. Li.

Ms. Escobar explained that the audit of financial statements for the Corporation was complete and that Novogradac will be providing the Corporation with a clean audit opinion, meaning that the financial statements were presented in accordance with generally accepted accounting principles. Ms. Escobar explained that no internal control deficiencies or audit adjustments were identified as a result of the audit.

Mr. Li presented the highlights of the Corporation's 2024 fiscal year financial statements. From the \$255 million total awarded amount in NMTC allocation authority from the CDFI Fund, NCC allocated \$67 million in fiscal year 2024 across six projects, all of which closed in fiscal year 2024. As of June 30, 2024, there is still \$33 million in NMTC allocation remaining. Mr. Li also stated that two CDEs completed their compliance period within fiscal year 2024.

Mr. Li presented the statement of net position. As of June 30, 2024, the Corporation's total assets were \$9.1 million, an increase of \$2.8 million over the prior fiscal year end. The Corporation allocated a total of \$67 million of NMTCs, resulting in an increase in total assets. Total liabilities were \$0.12 million, a decrease of \$.06 million over the prior fiscal year end, which was due to the return of deposit after the transaction closings during the fiscal year. As a result, net position increased by \$2.8 million in fiscal year 2024 for an ending unrestricted net position of \$9 million.

Mr. Li then presented the statement of revenue expense and change in net position. Total operating revenue was \$4.4 million, an increase of \$2.9 million over the prior fiscal year end. Total operating expenses were \$1.9 million, an increase of \$1.5 million over the prior fiscal year end. Total operating revenue was \$0.4 million.

Mr. Li then presented the statement of cash flow. Net cash provided by operating activity was \$2.1 million; net cash used in investing activity was \$4.8 million; net cash provided by operating activity offset with the cash used in investing activity resulting in a decrease in cash and cash equivalents of \$2.7 million for an ending cash balance of \$3.5 million.



Mr. Li then presented the annual investment report. Of the total \$5.3 million investments, 70% was invested in the US agency security, 39% in the US treasury, and the remaining 1% in the money market, which is fully compliant with the investment allocation in the Board approved policy.

Ms. Adgate asked for clarification on how much money the Corporation is able to invest. Mrs. Marcus-Falda explained that the Corporation has \$33 million in NMTCs which have not yet been allocated, but \$20 million has been reserved for another transaction. Mr. Furlong clarified that the financials presented are just for the Corporation, which Mrs. Marcus-Falda confirmed.

Mr. Li then invited Mr. Sullivan to present remarks from the Audit Committee. Mr. Sullivan recommended that the Board approve the financial statements and schedule of investments for fiscal year 2024.

There being no additional questions, a collective motion to approve the appointments and Public Authorities Accountability Act items was made, seconded, and unanimously approved with no abstentions or recusals.

5. Appointment of Matthew Furlong as Member of the Audit Committee

Mrs. Marcus-Falda presented the next item on the agenda, which was the appointment of Matthew Furlong as Member of the Audit Committee.

With no questions, Mrs. Marcus-Falda asked for a motion to approve the appointment, which was made, seconded, and unanimously approved with no abstentions or recusals.

6. Other Business

Mrs. Marcus Falda then presented a non-voting item to the Board, which was an update on an investment strategy to utilize the Corporation's fund balance, as presented by Ms. King.

Ms. King presented the research that was conducted on a potential avenue to invest the Corporation's fund balance with NYC Small Business Services' Future Fund.

Ms. Adgate asked how Small Business Services makes business decisions while the Corporation deliberates an investment strategy. Ms. King explained that the Future Fund would progress regardless of the Corporation's involvement.

Ms. Escobar asked for greater details about repayment, to which Ms. King explained that terms of repayment would need to be explored further. Ms. Adgate also expressed interest in understanding who the administrator of the Fund would ultimately be.

Ms. King explained that further diligence would be required and expressed significant optimism and excitement about an innovative opportunity to unlock catalytic capital, which was echoed by Ms. Román-Burch.

Mr. Sullivan asked if there was literature to support Small Business Services' expectations for certain terms, to which Ms. King explained that there is no existing literature, and that those expectations were informed by Small Business Services' previous experience operating similar Funds. Mr. Furlong asked about the Corporation's role in investment decision-making, which Ms. King stated that it would be the responsibility of the fund administrator.

7. Adjournment

NYCNCC

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 1:43 p.m.

Approved by:

NYC NEIGHBORHOOD CAPITAL CORPORATION

By: *Emily Marcus Falda*
Emily Marcus Falda, Deputy Executive Director