

NYC Neighborhood Capital Corporation  
Minutes of the Meeting of the Investment Committee  
September 25, 2023

A meeting of the Advisory Board of Directors (the "Advisory Board") of NYC Neighborhood Capital Corporation ("NYCNCC" or the "Corporation") was held on September 25, 2023 at 3:30 pm at the New York City Economic Development Corporation ("NYCEDC"), 1 Liberty Plaza, New York, NY 10006 and via teleconference.

The following Investment Committee members were present in person or on the teleconference line:

- Gbenga Dawodu, Senior Vice President, NYCEDC
- Christina Rausch, Senior Vice President, NYCEDC

Also present in person or on the teleconference line were the following members of New York City Economic Development Corporation and other organizations:

- Emily Marcus Falda, Vice President, NYCEDC, Deputy Executive Director, NYCNCC
- Brinda Ganguly, Senior Vice President, NYCEDC,
- Noah Schumer, Assistant Vice President, NYCEDC
- Weston Rich, Senior Associate, NYCEDC
- Sophie King, Senior Associate, NYCEDC
- Joseph Taecker-Wyss, Associate, NYCEDC
- Leyla Arcasoy, Associate, NYCEDC
- Ashley Dills, Senior Vice President, United Fund Advisors

Mr. Schumer convened the meeting of the Investment Committee of NYCNCC at 3:33 pm, at which time a quorum was present.

1. Approval of Previous Meeting Minutes

Mr. Schumer brought up the first item for consideration, which was approval of the minutes of the Investment Committee meeting held on July 18, 2023. Mr. Schumer asked for a motion to approve the minutes of the July 18, 2023, meeting. The motion was made, seconded, and unanimously approved with no abstentions or recusals.

2. CY 2022 NMTC Award

Mr. Schumer shared that NYCNCC received a \$50 million allocation from the CDFI Fund of the US Treasury Department, which marked an increase from the previous year's \$45 million allocation and was the first time in NYCNCC's history that the CDFI Fund granted an award to NCC consecutively. Mr. Dawodu expressed his congratulations to NCC staff.

Ms. Rausch asked if there was a time limit to which staff had to deploy the credit. Mrs. Marcus Falda explained that there is about a year-long deployment limit that staff must meet in order to be eligible for the next round of credit allocation.

3. Appointment of New Investment Committee Members

Mr. Schumer shared that Governing Board members Melanie McMann and Melissa Pumphrey would be up for appointment as members of the Investment Committee, pending vote of the Board. Also

pending vote of the Board, Committee member Gbenga Dawodu would be appointed as Chairperson of the Committee.

#### 4. Historical/Ongoing Credit Allocation

Mr. Schumer presented an overview of NYCNCC's historical NMTC allocation, including the \$195 million deployed on deals that have closed or are pending closing, and the \$60 million remaining allocation. He also provided a refresher of the Investment Criteria and Portfolio Goals for NYCNCC.

#### 5. Presentation of Bogopa Service Corp. - Gates Avenue

Mr. Taecker-Wyss gave a presentation on the proposed Bogopa-Gates project. Mr. Taecker-Wyss spoke about the organization, the project, the project's community impact and support, the project financing, operating pro-forma and company financial statements, and the NMTC structure.

Ms. Rausch asked if the supermarket was currently in operation, to which Mr. Taecker-Wyss stated it was. She asked if the supermarket would be ceasing operation in order to execute the proposed renovations, to which Mr. Taecker-Wyss explained that the supermarket would be executing the renovations during operations and that some of those improvements are already underway.

Ms. Rausch asked if the new jobs created would be concentrated among staff who would support the needs of the expansion. Mr. Taecker-Wyss stated that was correct.

Ms. Rausch asked staff to provide additional context to the proposed project's "but for" argument, given that the supermarket was generating significant operating revenue, and that it seems as though the project would be able to be executed without NMTC allocations. Mr. Schumer agreed and noted that staff marked the "but for" argument as "Good" as opposed to "Excellent," precisely for the reasons that Ms. Rausch noted. However, Mr. Schumer also noted that the supermarket is an excellent programmatic fit for the portfolio goals of NYCNCC. He noted that in addition to falling within the "healthy foods" category as a project that makes NYCNCC a more advantageous applicant for allocations to the CDFI, the project company is also a community pillar, engaging with local non-profits for the benefit of the community, and utilizing union labor.

Mrs. Marcus-Falda noted that NCC staff issued a Letter of Reservation to the project team, which gave them the confidence to move forward on improvements to the supermarket.

Mr. Dawodu noted that the renovation does not necessarily expand the footprint of square footage of fresh food in the community and asked if staff reviewed the supermarket analysis for need in the area. Mr. Taecker-Wyss explained that the supermarket already is a key contributor to the square footage of fresh food available per capita in the surrounding community.

Mr. Schumer also highlighted that in the earlier Advisory Board meeting, Board member Thomas Yu spoke very highly of the project company.

Ms. Rausch asked about other projects in the pipeline for NYCNCC. Mrs. Marcus-Falda explained that this project in particular was the last formal project in the pipeline, but that staff was working on identifying a number of viable projects that could be built into a project pipeline for the upcoming year.

Mr. Dawodu asked if this project would clear out the allocation from the last allocation received by NYCNCC. Mrs. Marcus-Falda explained that this project would leave approximately \$10 million from the allocation from CY22, leaving NYCNCC with a total \$60 million to deploy as of date.

Ms. Rausch asked if NYCNCC would have to fully use the credits from the CY22 allocation before using the CY23 allocation. Mrs. Marcus-Falda explained that there are no restrictions and that NYCNCC would be able to draw on multiple rounds of allocation in one deal.

Ms. Rausch noted some discomfort with the project's "but for" argument, as the project achieves a significant number of social impact goals, but that it was not entirely clear that the project would not be able to access traditional financing and thus, would not be able to proceed with NMTC. Ms. Dills explained that Bogopa has a larger credit facility with JP Morgan Chase that has specific financial covenants that precludes them from taking on additional debt. Therefore, at the individual store level, supermarkets are precluded from taking on traditional debt. Ms. Dills explained that, in this way, the supermarket is hampered from accessing traditional capital because of the existing credit facility. To this point, Ms. Dills explained that the current credit facility, however, does not preclude their ability to take on NMTC.

There being no other questions or comments, the Investment Committee recommended the project seek approval at the September 26<sup>th</sup> Governing Board meeting.

## 6. Adjournment

There being no further business, the meeting was adjourned at 3:58 pm.