

NYC Neighborhood Capital Corporation
Minutes of the Meeting of the Investment Committee
February 24, 2024

A meeting of the Investment Committee (the "Investment Committee") of NYC Neighborhood Capital Corporation ("NYCNCC" or the "Corporation") was held on February 24, 2024 at 10:30 am 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:

- Melissa Pumphrey, Senior Vice President, NYCEDC
- Gregory Sullivan, Assistant Vice President, NYCEDC
- Melanie McMann, 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:

- Brinda Ganguly, Executive Vice President, NYCEDC
- Noah Schumer, Assistant Vice President, NYCEDC
- Meah Clay, Senior Counsel, NYCEDC
- Mike Parella, Assistant Vice President, NYCEDC
- Weston Rich, Senior Associate, NYCEDC
- Sophie King, Senior Associate, NYCEDC
- Joseph Taecker-Wyss, Associate, NYCEDC
- Ashley Dills, Senior Vice President, United Fund Advisors

Mr. Schumer convened the meeting of the Investment Committee of NYCNCC at 10:33 am, 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 September 25, 2023. Mr. Schumer asked for a motion to approve the minutes of the September 25, 2023, meeting. The motion was made, seconded, and unanimously approved with no abstentions or recusals.

2. Presentation of Brooklyn Plaza Medical Center, Inc.

Mr. Schumer brought up the next item, which was the presentation of the proposed Brooklyn Plaza Medical Center project. Mr. Rich 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. McMann asked to clarify if the total project cost was for both phases of construction, to which Mr. Rich explained that phase two of construction was relatively small. Ms. McMann also asked for more information regarding the city capital that would be bridged via the financing. Mr. Rich explained that the Department of Design and Construction is managing about two million dollars in city capital. Mr. Rich explained that DDC is deploying the money as a grant as the project company has already done a good portion of the construction work.

Ms. Pumphrey asked if the sublease rent item line on the financials had to do with subleasing activities at the project's facility in Fort Greene. Mr. Rich explained that the lease for the facility will end

at the end of this year, at which point the company will vacate the facility, and make lease payments only to Bedford Union Armory.

Ms. McMann asked for more context regarding the projected increase in services. Mr. Rich explained that the project company expects a large increase in services provided due to an increase in Medicaid reimbursement and the upgrade, transformation, and expansion that the project would experience by way of this transaction.

There being no other questions or comments, the Investment Committee recommended the project seek approval at the February 27th Governing Board meeting.

3. Presentation of Community Health Center of Richmond, Inc

Mr. Schumer brought up the next item, which was the presentation of the proposed Community Health Center of Richmond 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. Pumphrey asked if there are any requirements regarding community hiring. Mr. Schumer explained that there are no local hiring requirements, but that staff can confirm the demographics of current employees.

Ms. Pumphrey asked to define what the seven-year compliance period actually entails. Mr. Schumer explained that an NMTC transaction's life is seven years, during which time the project is expected to comply with the deal's structure as well as any additional requirements. Ms. Pumphrey then asked about the implications of this project as it is NYCNCC's first operating investment. Ms. Dills explained that every project makes a commitment to the outcomes outlined in the community impacts agreement. Ms. Clay also explained that community-based organizations are intrinsically committed to those goals beyond the requirements stipulated by financing, and in the event that a project may be underperforming, there may be some intervention first.

Ms. McMann asked how closing conditions for an operating investment differ from a capital investment. Ms. Dills explained that the structures are very similar and that the use of the loan proceeds and underwriting considerations are the areas that differ the most. Ms. McMann also asked how far forward staff examines projections and plans for operations in the future. Ms. Dills explained that for this project in particular, certain locations must be considered separately given timing, and that underwriting is based on existing operations and growth regarding those specific areas.

Ms. McMann asked if prevailing wages for construction jobs were required, to which Ms. Dills explained that all projects are subject to the NYS prevailing wage for construction but that it is not triggered by NCC investment.

There being no other questions or comments, the Investment Committee recommended the project seek approval at the February 27th Governing Board meeting.

4. Adjournment

There being no further business, the meeting was adjourned at 11:07 am.