

NYC Neighborhood Capital Corporation  
Minutes of the Meeting of the Board of Directors  
March 14, 2019

A meeting of the Board of Directors (the “Board”) of NYC Neighborhood Capital Corporation (“NYCNCC” or the “Corporation”) was held on March 14, 2019 at 1pm at the New York City Economic Development Corporation (“NYCEDC”), 110 William Street, Conference Room 5B, New York, NY 10038.

The following directors or their designated representatives were present:

Dan Broom, alternate for Elizabeth Verostek, Senior Vice President, NYCEDC  
Alexandra Blissett, alternate for James Katz, Chief of Staff, NYCEDC  
Jenn Cohen, alternate for Sara Tranter, Senior Vice President, NYCEDC  
Julianne Herskowitz, alternate for Nate Bliss, Senior Vice President, NYCEDC  
Melanie McMann, Vice President, NYCEDC

The following directors or their designated representatives were not present:

James Patchett, Chairperson, President, NYCEDC  
Jervonne Singletary, Assistant Vice President, NYCEDC  
Gbenga Dawodu, Vice President, NYCEDC

Also present were the following members of NYCEDC staff:

Christine Robinson, Assistant Vice President, NYCEDC  
Izzy Cohn, Counsel, NYCEDC  
Mac Thayer, Assistant Vice President, NYCEDC

Mr. Thayer convened the meeting of the Board of NYCNCC at 1:10 p.m., at which point a quorum was present.

1. Approval of Previous Meeting Minutes

Mr. Thayer brought up the first item for consideration, which was approval of the minutes from the Board meeting held on September 13, 2018, and the minutes from the Board meeting held on September 24, 2018.

Mr. Thayer asked for a motion to approve the minutes of the September 13, 2018 meeting and the minutes of the September 24, 2018 meeting. The motion to approve the minutes of the September 13, 2018 meeting and the minutes of the September 24, 2018 meeting was made, seconded and unanimously approved.

2. Update on Previously Funded Projects

Mr. Thayer provided a brief summary of the construction status of the five previously funded projects (Rockaway Beach Medical Center, Madison Square Boys & Girls Club, GMDC

Ozone Park Industrial Center, ShopRite Bronx Grocery, BNYDC Building 127), which were in various stages of completion.

3. Update on CDFI Round 15 NMTC Awards

Mr. Thayer provided a brief update on the status of the Round 15 awards, noting that based on correspondence from the CDFI fund the awards announcement was expected in the spring of 2019.

4. FY2020 Budget

Mr. Thayer presented the FY2020 Budget for the Corporation in the form attached hereto as Schedule I. Mr. Thayer provided a general overview of the budget and then walked through the specific income and expense line items of the budget. Ms. Herskowitz and Mr. Broom asked about NYCNCC's excess funds, inquiring if there were any planned uses for these funds as of yet. Mr. Thayer replied that as of yet the funds were not being used. Mr. Broom asked if the board could discuss potential uses of the funds. Mr. Cohn suggested that discussion of the excess funds be taken up at the end of the meeting after the principal business of the meeting had been discussed.

Mr. Thayer asked for a motion to approve the FY2020 Budget and its submission to the New York State Authoriteis Budget Office pursuant to the Public Authorities Accountability Act. The motion was made, seconded and unanimously approved .

5. Officer Appointments

Mr. Thayer noted that there was a vacancy among the Corporation's Officers in the position of Assistant Secretary. The position had been previously filled by Mr. Raafat Osman, the Deputy Controller of NYCEDC. Mr. Thayer noted that Mr. Osman had left NYCEDC, and that Amy Chan had succeeded him as Deputy Controller of NYCEDC. Mr. Thayer recommended to the Board that Ms. Chan be appointed as Assistant Secretary of NYCNCC.

Mr. Thayer asked for a motion to appoint Ms. Chan as Assistant Secretary of NYCNCC. The motion was made, seconded and unanimously approved.

6. Alternate Appointments

Mr. Thayer noted that several Board members had not yet appointed alternates to attend meetings in their place, should they be unable to attend a meeting from time to time. Mr. Thayer asked the Board members to please complete the alternate and proxy designation forms if they had not already done so.

7. Consultant Contract

Mr. Thayer provided an overview of the Corporation's consultant contract with United Fund Advisors. Mr. Thayer noted that the term of the contract was one year, and that the contract was due to expire in May 2019. Mr. Thayer stated that United Fund Advisors had been an excellent partner for NYCNCC, and that he recommended that NYCNCC renew the consultant contract with United Fund Advisors per the renewal option in the contract.

Mr. Broom inquired about the fee structure, and how the consultant earned fees. Mr. Thayer replied that the contract was structured as a "pay for success" model, whereby the

consultant earned no fees unless NYCNCC was successful in receiving an allocation, in which case the consultant received a percentage of the total project closing fees.

Mr. Thayer asked for a motion to approve the renewal of the consultant contract with United Fund Advisors. The motion was made, seconded and unanimously approved.

8. Other Business

(a) Approval to create subsidiary CDEs (“sub-CDEs”)

Mr. Thayer noted that subsidiary CDE entities, also known as “sub-CDEs”, were required in order for NYCNCC to enter into NMTC transactions. Mr. Thayer requested authorization from the Board to create sub-CDE entities in the event that NYCNCC received a NMTC allocation award.

Ms. Blissett asked if the sub-CDE entities were bespoke to each transaction, or by contrast if NYCNCC could re-purpose existing sub-CDEs. Ms. Robinson responded that each individual transaction required its own unique sub-CDE entity, and that existing sub-CDEs could therefore not be re-purposed.

Mr. Broom asked how the approval process for sub-CDEs differed from the approval process for projects. Mr. Thayer replied that board review and approval of projects was a separate board action that would occur at a later date. Ms. Robinson commented that the sub-CDEs would be created in advance of project approval, but not assigned to any specific projects until the projects were selected and approved. Mr. Cohn commented that the sub-CDE entities would effectively be inactive shell entities until called into service for particular projects.

Mr. Thayer asked for a motion to approve the creation of sub-CDE entities in the event that NYCNCC received an NMTC allocation. The motion was made, seconded and unanimously approved.

(b) Designation of NYCNCC Executive Director as Partnership Representative

Mr. Thayer stated that due to a recent tax law change, NYCNCC was required to designate a Partnerships Representative on the sub-CDE tax returns. Mr. Thayer stated that the responsibility of the Partnerships Representative was to serve as a point of contact for the IRS in the event that the IRS had any questions about the tax returns. Mr. Thayer asked if Ms. Robinson wished to comment on this item. Ms. Robinson stated that she recommended that the Executive Director of the Corporation be designated as the Partnerships Representative, and that any inquiries by IRS would duly be forwarded by the Partnerships Representative to the Accounting team.

Mr. Thayer asked for a motion to approve the designation of the Executive Director of NYCNCC as the Partnerships Representative for NYCNCC sub-CDEs tax returns. The motion was made, seconded and unanimously approved.

(c) Discussion of Excess Funds

Mr. Thayer suggested that the Board take a few moments to discuss the issue of excess funds raised earlier in the meeting by Mr. Broom.

Mr. Thayer suggested that one potential use of excess funds could be to continue NYCNCC's existing lending activities for community development real estate projects in low-income communities. Ms. Robinson asked if NYCNCC might also consider making small business loans, e.g. loans for low-income businesses and/or individuals in the amount of \$20,000 or \$25,000. Ms. McMann asked if NYCNCC's funding could be used for purposes of City Capital bridge loans. Ms. Herskowitz asked if NYCNCC could provide grants or loans for impactful programmatic projects by non-profits (i.e. non-real estate loans).

Mr. Cohn noted that exploring alternative uses for the excess cash was a worthwhile endeavor, yet as the Corporation was designed primarily to serve as a NMTC lender, if the Corporation planned to pursue other business activities, then the by-laws of the Corporation might need to be amended to appropriately reflect such new activities.

The meeting attendees spent approximately ten minutes discussing different ideas for use of the excess funds. The attendees agreed that it would be helpful to draft a memo to delineate some of the different ideas discussed, and also discussed seeking additional input and ideas from other people within NYCEDC.

#### 9. Adjournment

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 1:50 p.m.

Approved by:

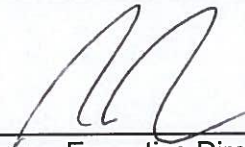
**NYC NEIGHBORHOOD CAPITAL CORPORATION**

By: \_\_\_\_\_  
Mac Thayer, Executive Director

Approved by:

**NYC NEIGHBORHOOD CAPITAL CORPORATION**

By:

  
\_\_\_\_\_  
Mac Thayer, Executive Director

**Schedule I**

**NYCNCC FY2020 Annual Budget**

Attached.

2/11/2019

PARIS - Budget and Financial Plan

New York State Comptroller  
THOMAS P. DINAPOLI

**PARIS** Public Authorities Reporting  
Information System

Authorities Budget Office

NYC Neighborhood Capital Corporation (1336)  
Fiscal Year End Date: 06/30/2020  
Status: UNSUBMITTED

Budget & Financial Plan

### Budgeted Revenues, Expenditures, and Changes in Current Net Assets

You must enter Budget & Financial Plan information prior to submittal.

	Last Year (Actual) 2018		Current Year (Estimated) 2019		Next Year (Adopted) 2020		Proposed 2021		Proposed 2022		Proposed 2023		
	Modify	Delete	Modify	Delete	Modify	Delete	Modify	Delete	Modify	Delete	Modify	Delete	
<b>Revenue &amp; Financial Sources</b>													
<b>Operating Revenues</b>													
Charges for Services			\$1,200,000.00		\$350,000.00		\$1,200,000.00		\$1,200,000.00		\$1,200,000.00		\$1,200,000.00
Rentals & Financing Income			0.00		0.00		0.00		0.00		0.00		0.00
Other Operating Revenues			198,583.00		275,000.00		395,000.00		515,000.00		635,000.00		755,000.00
<b>Non-Operating Revenues</b>													
Investment Earnings			2,080.00		2,000.00		2,000.00		2,000.00		2,000.00		2,000.00
State Subsidies / Grants			0.00		0.00		0.00		0.00		0.00		0.00
Federal Subsidies / Grants			0.00		0.00		0.00		0.00		0.00		0.00
Municipal Subsidies / Grants			0.00		0.00		0.00		0.00		0.00		0.00
Public Authority Subsidies			0.00		0.00		0.00		0.00		0.00		0.00
Other Non-Operating Revenues			0.00		0.00		0.00		0.00		0.00		0.00
<b>Proceeds from the Issuance of Debt</b>			<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>
<b>Total Revenues &amp; Financing Sources</b>			<b>\$1,400,663.00</b>		<b>\$627,000.00</b>		<b>\$1,597,000.00</b>		<b>\$1,717,000.00</b>		<b>\$1,837,000.00</b>		<b>\$1,957,000.00</b>
<b>Expenditures</b>													
<b>Operating Expenditures</b>													
Salaries and Wages			0.00		0.00		0.00		0.00		0.00		0.00
Other Employee Benefits			0.00		0.00		0.00		0.00		0.00		0.00
Professional Services Contracts			660,000.00		192,500.00		695,000.00		676,000.00		678,000.00		680,000.00
Supplies and Materials			0.00		0.00		0.00		0.00		0.00		0.00
Other Operating Expenditures			31,960.00		50,000.00		50,000.00		50,000.00		50,000.00		50,000.00
<b>Non-Operating Expenditures</b>													
Payment of Principal on Bonds and Financing Arrangements			0.00		0.00		0.00		0.00		0.00		0.00
Interest and other Financing Charges			0.00		0.00		0.00		0.00		0.00		0.00
Subsidies to Other Public Authorities			0.00		0.00		0.00		0.00		0.00		0.00
Capital Asset Outlay			0.00		0.00		0.00		0.00		0.00		0.00
Grants and Donations			0.00		0.00		0.00		0.00		0.00		0.00
Other Non-Operating Expenditures			0.00		0.00		0.00		0.00		0.00		0.00
<b>Total Expenditures</b>			<b>\$691,960.00</b>		<b>\$242,500.00</b>		<b>\$745,000.00</b>		<b>\$726,000.00</b>		<b>\$728,000.00</b>		<b>\$730,000.00</b>
<b>Capital Contributions</b>			<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>
<b>Excess (Deficiency) of Revenues and Capital Contributions Over Expenditures</b>			<b>\$708,703.00</b>		<b>\$384,500.00</b>		<b>\$852,000.00</b>		<b>\$991,000.00</b>		<b>\$1,109,000.00</b>		<b>\$1,227,000.00</b>

Definitions