MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD AT THE 110 WILLIAM STREET OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
NOVEMBER 10, 2016

The following directors and alternates were present, constituting a quorum:

Maria Torres-Springer, Chairman
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Al De Leon
Barry Dinerstein, alternate for Carl Weisbrod,
Chair of the City Planning Commission of The City of New York
Kevin Doyle
Andrea Feirstein
Anthony Ferreri
James McSpiritt, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York
Robert Santos
Peter Wertheim, alternate for Alicia Glen,
Deputy Mayor for Housing and Economic Development of The City of New York

The following directors were not present:

Marlene Cintron

Also present were (1) members of New York City Economic Development Corporation ("NYCEDC") staff and interns, (2) Arthur Cohen from Hawkins Delafield & Wood LLP, (3) Scott Singer from Nixon Peabody LLP, (4) Steve Adnopoz from Pearlman & Miranda, LLC, (5) Patricia Mollica from Winston Strawn LLP, and (6) other members of the public.

Maria Torres-Springer, Chairperson of the Build NYC Resource Corporation (the "Corporation" or "Build NYC"), convened the meeting of the Board of Directors of Build NYC at 9:25 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the October 11, 2016 Board of Directors Meeting

Ms. Torres-Springer asked if there were any comments or questions relating to the minutes of the October 11, 2016 Board of Directors meeting. There being no comments or questions, a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for September 30, 2016 (Unaudited)

Christine Robinson, a Senior Accountant of NYCEDC, presented the Agency's Financial Statements for the three month period ending September 30, 2016 (Unaudited). Ms. Robinson stated that for the three month period ended September 30, the Corporation recognized revenues in the amount of $1,030,000, which came from project finance fees from six closings. Ms. Robinson stated that the Corporation recognized revenues derived from compliance, application, post-closing and other fees in the amount of $73,000 for the three month period. Ms. Robinson stated that the Corporation recognized $840,000 in expenditures, largely consisting of the monthly management fees for the three month period.

In response to a question from Mr. Dinerstein, Ms. Robinson stated that the Corporation's monthly management fee to NYCEDC is the same as the fee from the New York City Industrial Development Agency.

3. Fiscal Year 2016 Annual Report of the Board of Directors

Johan Salen, a Vice President of NYCEDC and Executive Director of the Corporation, presented for review and approval the Annual Report of the Board of Directors for the 12 month fiscal period ended June 30, 2016. Mr. Salen stated that this report is required under Section 519 of the Not-for-Profit Corporation Law of the State of New York. Mr. Salen stated that during the Corporation's annual meeting of the Members, the Members of the Corporation would be asked to acknowledge receipt of the report.

There being no comments or questions, a motion to approve the Annual Report attached hereto as Exhibit A was made, seconded and unanimously approved.

4. Center for Urban Community Services, Inc.

Kyle Brandon, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately $23,500,000 tax-exempt revenue note issuance for the benefit of Center for Urban Community Services, Inc. Mr. Brandon recommended the Board adopt a SEQRA determination that the proposed project would not have a significant adverse effect on the environment. Mr. Brandon described the project and its benefits as set forth in Exhibit B.

On behalf of the Finance Committee, Ms. Feirstein recommended approval of this project.

In response to a question from Mr. McSpiritt, Mr. Brandon stated that the institution receives funding from the City's Department of Housing Preservation and Development, New York City Housing and Development Corp., the Dormitory Authority of the State of New York and Build NYC and that, with the exception of the funding from Build NYC, each loan is structured so that the debt is forgiven at the end of the term and the borrower pays a nominal fee.

There being no further comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination for the benefit of Center for Urban Community Services, Inc. attached hereto as Exhibit C was made, seconded and unanimously approved.

5. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:25 a.m.

Arthur Hanson
Assistant Secretary

Dated: 11/30/16
New York, New York

Exhibit A

BUILD NYC RESOURCE CORPORATION

Meeting of the Board of Directors – November 10, 2016

RESOLVED, that the Board of Directors of Build NYC Resource Corporation (the "Corporation") hereby approves the form, content, presentation and delivery of the Annual Report of the Board of Directors for the 12-Month Fiscal Period Ended June 30, 2016, which attaches the audited financial statements of the Corporation for such fiscal period as audited by the independent certified public accounting firm Ernst & Young LLP, to the Members of the Corporation.

Annual Report of the Board of Directors of Build NYC Resource Corporation ("Build NYC") for the 12-Month Fiscal Period Ended June 30, 2016

TO: The Members of Build NYC

The Board of Directors of Build NYC respectfully submits for your information the following report relating to Build NYC for the twelve-month fiscal period ended June 30, 2016:

1. Attached hereto are the Financial Statements and Supplementary Information of Build NYC for the year ended June 30, 2016, which has been certified by, and includes a Report of Independent Auditors from, Ernst & Young LLP. Such attachments show in appropriate detail the financial information required to be provided to the Members of Build NYC pursuant to Section 519 of the New York State Not-for-Profit Corporation Law.

2. The number of Members of Build NYC as of November 10, 2016 is 11.

3. The number of Members of Build NYC was 13 on July 1, 2015 and 13 on June 30, 2016.

4. The names and addresses of the current Members of Build NYC may be found in the Members/Directors book of Build NYC, which is kept at 110 William Street, 6th Floor, New York, New York 10038.

Dated November 10, 2016
New York, New York

____
Johan Salen, Executive Director

____
Spencer Hobson, Treasurer

State of New York)
) ss.:
County of New York)

Johan Salen, being first duly sworn, deposes and says that he executed the foregoing report and is the Executive Director of Build NYC Resource Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

____
Johan Salen

Sworn to before me this ___
day of November, 2016

____
Notary Public

State of New York)
) ss.:
County of New York)

Spencer Hobson, being first duly sworn, deposes and says that he executed the foregoing report and is the Treasurer of Build NYC Resource Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

____
Spencer Hobson

Sworn to before me this ___
day of November, 2016

____
Notary Public

Financial Statements

Build NYC Resource Corporation
(a component unit of The City of New York)
Years Ended June 30, 2016 and 2015
With Report of Independent Auditors

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Financial Statements

June 30, 2016 and 2015

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I. Financial Section

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Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Financial Statements

We have audited the accompanying statements of net position of Build NYC Resource Corporation (the "Corporation"), a component unit of The City of New York, as of June 30, 2016 and 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2016, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Ernst + Young LLP

September 30, 2016

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2016

This section of the Build NYC Resource Corporation ("Build NYC" or the "Corporation") annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2016 and 2015. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Fiscal Year 2016 Financial Highlights

- Current assets increased by $2,394,048 (or 38%)
- Current liabilities increased by $15,742 (or 18%)
- Net position increased by $3,104,972 (or 38%)
- Operating revenues increased by $957,902 (or 22%)
- Operating expenses increased by $369,780 (or 22%)
- Operating income increased by $588,122 (or 22%)
- Non-operating expenses decreased by $18,041 (or 14%)

Overview of the Financial Statements

This annual financial report consists of two parts: *Management's discussion and analysis* (this section) and the *basic financial statements*. Build NYC is considered a component unit of The City of New York (the "City") for the City's financial reporting purposes. Build NYC is a local development corporation that was organized under the Not-For-Profit Corporation Law of the State of New York to assist entities eligible under the federal tax laws in obtaining tax-exempt bond and taxable bond financing.

Build NYC is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. The Corporation operates in a manner similar to a private business.

Financial Analysis of the Corporation

Net Position–The following table summarizes the Corporation's financial position at June 30, 2016, 2015, and 2014, and the percentage changes between June 30, 2016, 2015, and 2014:

				% Change	
	2016	**2015**	**2014**	**2016–2015**	**2015–2014**
Current assets	**$ 8,639,514**	$ 6,245,466	$ 5,821,152	**38%**	7%
Non-current assets	**2,808,144**	2,081,478	–	**35%**	-
Total assets	**11,447,658**	8,326,944	5,821,152	**37%**	43%
Current liabilities	**101,995**	86,253	79,270	**18%**	9%
Total unrestricted net position	**$ 11,345,663**	$ 8,240,691	$ 5,741,882	**38%**	44%

In fiscal year 2016, current assets increased by $2,394,048 or 38% primarily as a result of an increase in investments and fee revenue generated from 28 bond transactions. Non-current assets increased by $726,666 or 35% primarily due to an increase of investments in long-term debt securities.

In fiscal year 2015, current assets increased by $424,314 or 7% primarily as a result of fee revenue generated from 23 bond transactions including a Liberty Project Bond issued by a subsidiary of the Empire State Development Corporation ("ESDC). Non-current assets increased by $2,081,478 as a result of an increase of investments in long-term debt securities.

As a result of fee revenue generated from multiple bond transactions, the Corporation's net position increased by $3,104,972 or 38% in fiscal year 2016 and $2,498,809 or 44% in fiscal year 2015.

Operating Activities

Build NYC was organized to assist entities eligible under the federal tax laws in obtaining tax-exempt bond and taxable bond financing. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities as well as refinance previous financing transactions.

Operating Activities (continued)

The Corporation charges various program fees that may include application fees, financing fees, and compliance fees.

The following table summarizes changes in Build NYC's net position for fiscal years 2016, 2015, and 2014 and the percentage changes between June 30, 2016, 2015, and 2014:

				% Change	
	2016	**2015**	**2014**	**2016-2015**	**2015-2014**
Operating revenues	**$ 5,284,557**	$ 4,326,655	$ 3,255,955	**22%**	33%
Operating expenses	**2,072,197**	1,702,417	214,655	**22%**	693%
Non-operating (expenses) revenues	**(107,388)**	(125,429)	2,952	**(14)%**	(4,349)%
Change in net position	**$ 3,104,972**	$ 2,498,809	$ 3,044,252	**24%**	(18)%

Fiscal Year 2016 Activities

In fiscal year 2016, operating revenues increased by $957,902 or 22%. This is a result of an increase in compliance and project finance fees.

Total operating expenses increased by $369,780 in fiscal year 2016 or 22%. This is a direct result of a board approved increase in management expenses.

The non-operating expense/revenue category had a net deficit of $107,388 in fiscal year 2016, a 14% decrease year over year, primarily due to an increase in investment income.

Fiscal Year 2015 Activities

In fiscal year 2015, operating revenues increased by $1,070,700; this is a result of an increase in compliance and project finance fees, including fees related to one Liberty Project Bond issued by a subsidiary of ESDC.

Management's Discussion and Analysis (continued)

Fiscal Year 2015 Activities (continued)

Total operating expenses increased by $1,487,762 in fiscal year 2015. This is a direct result of a board approved increase in management expenses responding to a shift of bond transactions to Build NYC from the New York City Industrial Development Agency ("IDA"). IDA, a component unit of the City and public benefit corporation of the State of New York was established to encourage and develop an economically sound commerce and industry base in the City.

Non-operating expenses increased by $128,381 in fiscal year 2015 due to a board approved grant to the NYC Neighborhood Capital Corporation for the payment of consulting, professional services and other miscellaneous start-up costs for fiscal year 2015.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Public Information Officer, New York City Economic Development Corporation, 110 William Street, New York, NY 10038.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Net Position

	June 30	
	2016	**2015**
Assets		
Current assets:		
Cash and cash equivalents *(Note 3)*	**$ 3,485,390**	$ 4,289,466
Investments *(Note 3)*	**5,150,604**	1,952,700
Fees receivable-net of allowance for doubtful accounts	**3,520**	3,300
Total current assets	**8,639,514**	6,245,466
Non-current assets:		
Investments *(Note 3)*	**2,808,144**	2,081,478
Total non-current assets	**2,808,144**	2,081,478
Total assets	**11,447,658**	8,326,944
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	**33,824**	47,153
Due to New York City Economic Development Corporation	**9,311**	15,000
Unearned revenue and other liabilities	**58,860**	24,100
Total current liabilities	**101,995**	86,253
Net position – unrestricted	**$ 11,345,663**	$ 8,240,691

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30 2016	2015
Operating revenues		
Fee income *(Note 2)*	**$ 5,284,557**	$ 4,326,655
Total operating revenues	**5,284,557**	4,326,655
Operating expenses		
Management fees *(Note 4)*	**2,000,000**	1,500,000
Public hearing expenses	**30,784**	164,191
Auditing expenses	**37,085**	36,476
Marketing expenses	**3,789**	–
Other expenses	**539**	1,750
Total operating expenses	**2,072,197**	1,702,417
Operating income	**3,212,360**	2,624,238
Non-operating revenues (expenses)		
Investment income	**39,240**	14,571
Special projects costs *(Note 6)*	**(146,628)**	(15,000)
Contribution to NYC Neighborhood Capital Corporation *(Note 5)*	**–**	(125,000)
Total non-operating (expenses) revenues	**(107,388)**	(125,429)
Change in net position	**3,104,972**	2,498,809
Unrestricted net position, beginning of year	**8,240,691**	5,741,882
Unrestricted net position, end of year	**$ 11,345,663**	$ 8,240,691

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of The City of New York)

Statements of Cash Flows

	Year Ended June 30 2016	2015
Operating activities		
Financing and other fees	**$ 5,319,097**	$ 4,317,197
Management fees paid	**(2,000,000)**	(1,500,000)
Audit expenses paid	**(30,426)**	(32,650)
Marketing expenses paid	**(3,789)**	(965)
Public hearing expenses paid	**(35,711)**	170,079)
Miscellaneous expenses paid	**(539)**	(582)
Net cash provided by operating activities	**3,248,632**	2,612,921
Investing activities		
Interest income	**5,394**	1,047
Sale of investments	**3,126,936**	5,908,359
Purchase of investments	**(7,017,660)**	(5,627,189)
Net cash (used in) provided by investing activities	**(3,885,330)**	282,217
Non-capital financing activities		
Contribution to NYC Neighborhood Capital Corporation paid	**–**	(125,000)
Special projects	**(167,378)**	–
Net cash used in non-capital financing activities	**(167,378)**	(125,000)
Net (decrease) increase in cash and cash equivalents	**(804,076)**	2,770,138
Cash and cash equivalents at beginning of year	**4,289,466**	1,519,328
Cash and cash equivalents at end of year	**$ 3,485,390**	$ 4,289,466
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 3,212,360**	$ 2,624,238
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Fees receivable	**(220)**	(3,300)
Account payable and accrued expenses	**(13,329)**	(2,762)
Due to NYC Economic Development Corp.	**15,061**	(415)
Unearned revenue and other liabilities	**34,760**	(4,840)
Net cash provided by operating activities	**$ 3,248,632**	$ 2,612,921

See accompanying notes.

1. Background and Organization

Build NYC Resource Corporation ("Build NYC" or the "Corporation"), a component unit of The City of New York ("the City"), is a local development corporation, organized under section 1411 of the Not-For-Profit Corporation Law of the State of New York that commenced operation in 2011. Build NYC was organized to assist entities eligible under the federal tax laws in obtaining tax-exempt bond and taxable bond financing. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities as well as refinance previous financing transactions.

The Corporation is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financing assistance. Its membership is prescribed by the Corporation's Certificate of Incorporation and By-Laws which include a public official and appointees of the Mayor.

Bonds issued by Build NYC are special nonrecourse conduit debt obligations of the Corporation which are payable solely from the payments and revenues provided for in the loan agreements with participating organizations ("beneficiaries"). The bonds are secured by collateral interest in the loan agreements and other security provided by the beneficiaries. Both the bonds and certain provisions of the loan agreements are administered by independent bond trustees appointed by the Corporation.

The total conduit debt obligations outstanding totaled $2,612,281,101 and $1,815,492,210 for the years ended June 30, 2016 and 2015, respectively.

Due to the fact that (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interest in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the accompanying financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation

Build NYC has been classified as an "enterprise fund" as defined by the Governmental Accounting Standards Board ("GASB") and, as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. In its accounting and financial reporting, Build NYC follows the pronouncements of the GASB.

Newly Adopted Pronouncements

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Build NYC has evaluated the impact of this statement and deduced that all investments and securities held are categorized as level 1 within the fair value hierarchy. These instruments are valued at the unadjusted prices which are quoted in active principal markets for identical assets.

Cash Equivalents

The Corporation considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

Investments

All investments are carried at fair value based on quoted market prices, except for certificates of deposit, which are valued at cost.

Revenue Recognition

Operating revenues consist of income from application fees, financing fees, compliance monitoring fees and late fees. Application and financing fees are recognized as earned. Compliance monitoring fees are received annually, in advance, and deferred and amortized into income as earned. Build NYC's operating expenses include management fees and related administration expenses. All other revenues and expenses are reported as non-operating revenues and expenses.

3. Deposits and Investment

At year-end, Build NYC's cash balance was $2,396,896. Of this amount, $250,000 was insured by the Federal Depository Insurance Corporation, and the remaining balance was uncollateralized.

Investments

As of June 30, 2016 and 2015, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2016.

	Fair Value		2016 Investment Maturities (In Years)	
	2016	**2015**	**Less Than 1**	**1 to 2**
Money Market Funds	**$ 1,088**	$ 979	**$ 1,088**	**$ –**
Federal Home Loan Mort. Corp. Notes	**3,811**	1,001	**1,003**	**2,808**
Federal Home Loan Bank Notes	**2,096**	2,293	**2,096**	–
Federal National Mortgage Association	**2,052**	–	**2,052**	–
Certificates of Deposit	–	241	**–**	–
Commercial Paper	–	499	**–**	–
Subtotal Investments	**9,047**	5,013		
Less investments classified as cash equivalents	**(1,088)**	(979)		
Total Investments	**$ 7,959**	$ 4,034		

3. Deposits and Investments (continued)

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates. Currently, all of the Corporation's investments have maturities of two year or less.

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2016, the Corporation's investments in Federal Home Loan Bank Notes ("FHLB") and the Federal Home Loan Mortgage Corporation Notes ("FHLMC") were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings. Investments in commercial paper were rated in the highest short-term category by at least two major rating agencies (A-1+ by Standard & Poor's, P-1 by Moody's, and F1+ by Fitch Ratings). Money market funds are not rated.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

3. Deposits and Investments (continued)

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2016 and 2015 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments			
Issuer	**June 30, 2016**		**June 30, 2015**	
Federal Home Loan Bank	$ 2,096	26.33%	$ 2,293	56.84%
Federal Home Loan Mortgage Corp.	3,811	47.88	1,001	24.81
Federal National Mortgage Assoc.	2,052	25.78	–	–
Honeywell International	–	–	499	12.39
Goldman Sachs Bank NY CD	–	–	241	5.97

4. Management Fee

To support the activities of Build NYC, the Corporation annually enters into a contract with the New York City Economic Development Corporation ("NYCEDC"), a not-for-profit corporation and a component unit of the City, organized to administer economic development programs which foster business expansion in the City. Under the terms set forth in the contract, NYCEDC provides Build NYC with all the professional, administrative and technical assistance it needs to accomplish its objectives. These services include comprehensive financial management, processing and presentation of projects to the Board of Directors, and project compliance monitoring. The fixed annual fee for these services under the agreement between NYCEDC and the Corporation increased to $2,000,000 from $1,500,000 for the years ended June 30, 2016 and 2015, respectively, due to a shift of bond financing from the New York City Industrial Development Agency to Build NYC.

5. Contribution to NYC Neighborhood Capital Corporation

In fiscal year 2015, Build NYC's Board of Directors gave authorization of initial funding in the amount of $125,000 to the NYC Neighborhood Capital Corporation ("NYCNCC") for the payment of consulting, professional services and other miscellaneous start-up costs. NYCNCC is a New York not-for-profit corporation, which intends to service low-income communities throughout New York City by participating in the Federal New Markets Tax Credit Program.

6. Commitments

Pursuant to approved agreements between Build NYC and NYCEDC, Build NYC was committed to fund three projects being performed by NYCEDC related to the City's community and economic development initiatives. Total special project commitments under these agreements amounted to approximately $450,000 with an outstanding obligation at June 30, 2016, of approximately $288,372. The special project commitments related approval dates, original and outstanding commitment balances are as follows:

Project	Approval Date	Total Commitment	Total Expenditures	Current Total De-Obligate	Outstanding Commitment
Citywide Industrial Fund	4/14/2015	$ 75,000	$ 15,000	–	$ 60,000
Advanced Manufacturing Technology Grant Program	5/12/2015	300,000	75,000	–	225,000
Capacity Building Workshop Consultant Agreement	10/13/2015	75,000	71,628	–	3,372
		$ 450,000	$ 161,628	–	$ 288,372

For the year ended June 30, 2016, $146,628 has been incurred by the Corporation related to the above projects and included in special project costs on the accompanying statements of revenue, expenses and changes in net position.

7. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, Build NYC could be named a party to such litigation. Therefore, Build NYC requires all project companies to purchase and maintain commercial insurance coverage for these risks and to name Build NYC as additional insured. Build NYC is also named as an additional insured on NYCEDC's general liability policy. Build NYC has no threatened material litigations, claims or assessments as of June 30, 2016.

II. Government Auditing Standards Section

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New York, NY 10036-6530

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Build NYC Resource Corporation (the "Corporation"), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Building a better working world

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

September 30, 2016

Exhibit B

Project Summary

Center for Urban Community Services, Inc. (the "Institution"), a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is a human services organization with the primary purpose of creating comprehensive, effective housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions. The Institution is seeking approximately $23,500,000 in tax-exempt revenue notes (the "Notes"). The proceeds of the Notes, together with other funds available to the Institution, will be used to (i) purchase property located at 174 Prospect Place, Brooklyn (the "Facility"); (ii) renovate the Facility to be in compliance with programmatic guidelines; and (iii) pay certain costs related to the issuance of the Notes. The Facility will have 74 beds, 43 of which will be relocated from the Institution's current Manhattan location. In addition, the Facility will have a full upgrade to assure that it meets or exceeds the standard set by the Callahan Consent Decree, which in 1981 established a right to shelter in New York with a set of qualitative conditions.

Current Location

350 Lafayette Street
New York, New York 10012

Project Location

174 Prospect Place
Brooklyn, New York 11238

Actions Requested

- Bond Approval and Authorizing Resolution
- Adopt a negative declaration for this project. No significant adverse environmental impacts

Anticipated Closing

December 31, 2016

Impact Summary

Employment		
Jobs at Application:		36.5
Jobs to be Created at Project Location (Year 3):		0
Total Jobs (full-time equivalents)		**36.5**
Projected Average Hourly Wage (excluding principals)		24.43

Estimated City Tax Revenues		
Impact of Operations (NPV 30 years at 6.25%)	$	2,184,024
One-Time Impact of Renovation		100,148
Total impact	$	2,284,172

Estimated Cost of Benefits Requested: New York City		
MRT Benefit	$	378,958
NYC Forgone Income Tax on Note Interest		169,417
Corporation Financing Fee		(141,603)
Total Cost to NYC Net of Financing Fee	$	406,772
Estimated Cost of Benefits Requested: New York State		
MRT Benefit	$	274,016
NYS Forgone Income Tax on Note Interest		637,383
Total Cost to NYS	$	911,399
Overall Total Cost to NYC and NYS	$	1,318,171

Center for Urban Community Services, Inc.

Costs of Benefits Per Job[1]		
Estimated Total Cost of Benefits per Job	$	36,114
Estimated City Tax Revenue per Job	$	62,580

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Note Proceeds	23,500,000	100%
Total	$23,500,000	100%

Uses	Total Amount	Percent of Total Costs
Acquisition	19,000,000	81.5%
Construction Costs	2,525,000	10.8%
Soft Costs	509,712	2.2%
Cost of Issuance	440,288	1.1%
Other Costs	1,025,000	4.4%
Total	**$23,500,000**	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 30 Years)
Corporation Fee	141,603	
Bond Counsel	135,000	
Annual Corporation Fee	1,250	16,755
Total Fees	**$277,853**	$16,755

Financing and Benefits Summary

The Notes will be directly purchased by First Republic Bank. The Notes will have an anticipated fixed interest rate of approximately 3.95% for a 30-year term. The Notes will be secured by a mortgage on the Facility and by certain assets, including unrestricted pledges receivable, of the Institution. Based on an analysis of the Institution's financial statements, it is expected to have a debt service coverage ratio of 3.0 times.

Applicant Summary

The Institution was founded in 1979 when it was known as Columbia University Community Services. At its inception, it had the single focus of engaging Columbia University students to address the needs of the neighbourhood's disenfranchised individuals. As a response to the increase of homelessness in the 1980s, the Institution expanded its mission, and officially incorporated as an independent not-for-profit in 1993.

Today, the Institution is a comprehensive human services agency serving over 25,000 people each year, and it is among the nation's largest providers of supportive housing social services. It continues to implement new practices, share knowledge and assist in shaping local, state and national strategies so that families and individuals who are homeless, low-income, living with mental illness, or have other special needs can live successfully in the community.

[1] Because this is an operating company, the number of jobs at application was used in the following calculations.

Center for Urban Community Services, Inc.

Anthony Hannigan, President and Chief Executive Officer
Mr. Hannigan founded the Institution as Program Director of Columbia University Community Services, and later became Executive Director, before the Institution was independently incorporated and renamed the Center for Urban Community Services in 1993, and has since served as President and CEO. Before founding the Institution, he served as Business Officer for the Office of the Manhattan Borough President, and Regional Coordinator for Community Support Systems for the New York State Office of Mental Health. He holds a Master of Social Work from Columbia University and a Bachelor of Arts in English from Queens College, and is a Board Member of the Coalition of Voluntary Behavioral Health Agencies, Common Ground Community, Homeless Services United, Supportive Housing Network of New York, and Coordinated Behavioral Care.

Joseph DeGenova, Associate Executive Deputy Director
Mr. DeGenova has been active with the Institution since 1999, where he has overseen the operation of 23 housing and service programs in 15 locations, serving approximately 8,000 people annually, as well as a national training and consulting service. In the 10 years prior, he served the Institution in various other capacities, and was previously the founding Executive Director of Community Impact, Inc., a nonprofit organization based at Columbia University. He is currently a board member for The Coalition of Behavioral Health Agencies' Center for Rehabilitation and Recovery, and previously was a board member at Beacon of Hope House, Inc. and at New York Catholic Charities Social Development Grant Fund. He holds Masters of Science in Nonprofit Management from The New School University and in Social Work from Hunter College School of Social Work, and a Bachelor of Arts from Columbia College.

Jeffrey Halfpenny, Chief Financial Officer
Mr. Halfpenny joined the Institution in 2013, and was previously the Audit Senior Manager of the nonprofit department at Eisner LLP, and was the Chief Financial Officer for Upper Manhattan Mental Health Center before that. He holds a Bachelor of Business Administration in Accounting from Hofstra University.

Employee Benefits
Employees receive medical and dental insurance, life insurance, short-term and long-term disability, 14 days of vacation and up to 70 hours of sick time annually, and other benefits such as health club memberships, transportation credits, and tuition assistance.

Recapture
Subject to recapture of the mortgage recording tax benefit.

SEQRA Determination
Unlisted Action which, if implemented, will not result in significant adverse environmental impacts. The completed Environmental Assessment Form for this project has been reviewed and signed by Corporation staff.

Due Diligence

The Corporation conducted a background investigation of the Institution and found no derogatory information.

Compliance Check:	Satisfactory
Living Wage:	Exempt
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Private School Policy:	Not applicable
Bank Account:	JP Morgan Chase

Center for Urban Community Services, Inc.

Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Relationships are reported to be satisfactory.
Unions:	Relationships are reported to be satisfactory.
Vendex Check:	No derogatory information was found.
Attorney:	Oliver Chase, Esq. Hirschen Singer & Epstein LLP 902 Broadway New York, New York 10010
Accountant:	Michael Clifford Eisner Amper 750 Third Avenue New York, New York 10017
Consultant/Advisor:	Any Larovere A Larovere Consulting, LLC 42 West 39th Street New York, New York 10018
Community Board:	Brooklyn, Community Board #8

Board of Directors

CHAIR
Julie Sandorf
Charles H. Revson Foundation

VICE CHAIR
Daniel S. Bayer, Ph.D.
Bayer Consulting

PRESIDENT
Tony Hannigan
Center for Urban Community Services

TREASURER
Jerry Letter
InterMedia Partners

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Paul Gualano
Center for Urban Community Services

Neal Cohen, MD
Hunter College School of Social Welfare

Angela Mia Colasuonno
Sapient

Emily Tabak Epstein
Simpson Thatcher & Bartlett LLP

David A. Gould
United Hospital Fund

Don D. Grubman, Esq.
Hahn & Hessen LLP

Jack Krauskopf
Baruch College, School of Public Affairs

Joe Weisbord
Fannie Mae

Exhibit C

Resolution approving the financing of a facility for Center for Urban Community Services, Inc. and authorizing the issuance and sale of approximately $23,500,000 2016 Tax-Exempt Revenue Notes (Center for Urban Community Services, Inc. Project), and the taking of other action in connection therewith

WHEREAS, Build NYC Resource Corporation (the "Issuer") is authorized pursuant to Section 1411(a) of the Not-for-Profit Corporation Law of the State of New York, as amended, and its Certificate of Incorporation and By-laws, (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the "City") by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, and lessening the burdens of government and acting in the public interest; and

WHEREAS, Center for Urban Community Services, Inc., a New York not-for-profit corporation (the "Applicant"), entered into negotiations with officials of the Issuer with respect to the financing and/or refinancing of the costs of (i) the acquisition, renovation, equipping and/or furnishing of an approximately 15,836 square foot building located on an approximately 6,976 square foot parcel of land located at 174 Prospect Place, Brooklyn, New York (the "Facility"), to be owned and operated by the Applicant as a shelter of approximately 74 beds for mentally ill, homeless women, and (ii) certain costs related to the issuance of the Issuer Debt Obligations (as defined herein) (collectively, the "Project"); and

WHEREAS, the Applicant has submitted an Application (the "Application") to the Issuer to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a New York not-for-profit, human services agency that creates comprehensive, effective housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions; that the Applicant sponsors twenty-one service sites throughout Manhattan, Brooklyn and the Bronx; that its current lease at 350 Lafayette Street in Manhattan (which operates as a shelter with 43 beds) has not been renewed and that it plans to relocate to the Project site upon completion of the Facility; that the Applicant anticipates having approximately 34 full-time and approximately 5 part-time employees at the Facility employees upon completion of the Project; that the financing of the Project costs with the Issuer's financial assistance will allow the Applicant to relocate and increase the number of shelter beds for mentally ill, homeless women; and that, therefore, the Issuer's financial assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, the Issuer desires to further encourage the Applicant with respect to the financing of the Facility and to proceed with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue one or more 2016 Tax-Exempt Revenue Notes (Center for Urban Community Services, Inc. Project), in the aggregate principal amount of $23,500,000 (or such greater principal amount not to exceed $25,850,000) (the "Issuer Debt Obligations") in one issuance or from time to time as a draw-down note as may be determined by a certificate of determination of an authorized officer of the Issuer (the "Certificate of Determination"), all pursuant to a Master Loan Agreement (the "Loan Agreement") to be entered into among the Issuer, the Applicant and First Republic Bank, as purchaser of the Issuer Debt Obligations (the "Lender"), and not including an indenture of trust, and the Applicant will execute one or more promissory notes in favor of the Issuer and the Lender (collectively, the "Promissory Note") to evidence such Applicant's obligation under the Loan Agreement to repay such loan, and the Issuer will endorse the Promissory Note to the Lender; and

WHEREAS, the Issuer Debt Obligations and the Promissory Note are to be secured by (i) the pledge effected by the Loan Agreement, (ii) a pledge and security interest in certain revenues and assets of the Applicant pursuant to a Security Agreement from the Applicant to the Lender (the "Security Agreement") and (iii) a mortgage lien on and security interest in the Facility granted by the Applicant, as mortgagor, to the Issuer and the Lender, as mortgagees, pursuant to one or more Mortgage and Security Agreements (collectively, the "Mortgage"), which Mortgage will be assigned by the Issuer to the Lender pursuant to one or more Assignments of Mortgage and Security Agreements from the Issuer to the Lender (collectively, the "Assignment of Mortgage"); and

WHEREAS, the Issuer Debt Obligations and the Promissory Note are to be sold to the Lender (or such other financial institution as shall be approved by the Certificate of Determination);

NOW, THEREFORE, BE IT RESOLVED BY BUILD NYC RESOURCE CORPORATION, AS FOLLOWS:

Section 1. The Issuer hereby determines that the financing of the costs of the Project by the Issuer will promote and is authorized by and will be in furtherance of the corporate purposes of the Issuer.

Section 2. The Issuer hereby approves the Project and authorizes the Applicant to proceed with the Project as set forth herein, which Project will be financed in part through the issuance of the Issuer Debt Obligations, which Issuer Debt Obligations may be issued from time to time and will be special limited revenue obligations of the Issuer payable solely from the revenues and other amounts derived pursuant to the Loan Agreement and the Promissory Note.

Section 3. To provide for the financing of the Project, the issuance of the Issuer Debt Obligations by the Issuer is hereby authorized subject to the provisions of this Resolution and the Loan Agreement.

The Issuer Debt Obligations in one or more series shall be issued as fully registered note(s) issuable as one issuance or as a draw-down note, shall be dated its date of issuance, shall be in an aggregate principal amount not to exceed $25,850,000, shall be payable as to principal and interest as provided in the Loan Agreement, shall bear interest at such annual fixed rate(s) as determined by the Certificate of Determination but not to exceed six percent (6%)), shall be payable as provided in the Loan Agreement until the payment in full of the principal amount thereof and shall mature approximately thirty (30) years from the date of issuance of the Issuer Debt Obligations (or as determined by the Certificate of Determination), all as set forth in the Issuer Debt Obligations. Other applicable provisions shall be set forth in the Loan Agreement.

Section 4. The Issuer Debt Obligations shall be secured by the pledge effected by the Loan Agreement and shall be payable solely from and secured by a pledge of the loan payments, revenues and receipts of the Applicant to the extent set forth in the Loan Agreement hereinafter authorized. The Issuer Debt Obligations, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Loan Agreement, including from moneys deposited in the funds as established under the Loan Agreement (subject to disbursements therefrom in accordance with the Loan Agreement), and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Issuer Debt Obligations be payable out of any funds of the Issuer other than those pledged therefor. The Issuer Debt Obligations are further secured pursuant to the Security Agreement and the Mortgage.

Section 5. The Issuer Debt Obligations are hereby authorized to be sold to the Lender at a purchase price equal to the principal amount of the Issuer Debt Obligations or such other purchase price as determined by the Certificate of Determination.

Section 6. The execution and delivery of the Loan Agreement, the endorsement of the Promissory Note, the Assignment of Mortgage, the Building Loan Agreement among the Applicant, the Issuer and the Lender, and the Tax Regulatory Agreement from the Issuer and the Applicant to the Lender (the documents referenced in this Section 6 being, collectively, the "Issuer Documents"), each being substantially in the form approved by the Issuer for prior financings or pursuant to the Certificate of Determination, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Documents. The execution and delivery of each such Issuer Documents by said officer shall be conclusive evidence of due authorization and approval.

Section 7. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members or directors thereof by the provisions of this Resolution and the

Issuer Documents shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the members or directors of the Issuer nor any officer executing the Issuer Debt Obligations shall be liable personally on the Issuer Debt Obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8. The officers of the Issuer are hereby designated the authorized representatives of the Issuer, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Issuer Documents and the issuance of the Issuer Debt Obligations.

Section 9. The Issuer is hereby authorized to cause the Applicant to proceed with the Project, the agreed costs thereof to be paid by the Issuer by the application of the proceeds of the Issuer Debt Obligations, all as particularly authorized by the terms and provisions of the Loan Agreement. The Applicant is authorized to proceed with the Project; provided, however, that it is acknowledged and agreed by the Applicant that neither the Issuer nor any of its members, directors, officers, employees, agents or servants shall have any personal liability for any action taken by the Applicant for such purpose or for any other purpose.

Section 10. Any expenses incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Issuer Debt Obligations or, in the event such proceeds are insufficient after payment of other costs of the Project or the Issuer Debt Obligations are not issued by the Issuer due to inability to consummate the transactions herein contemplated, shall be paid by the Applicant. By accepting this Resolution, the Applicant agrees to pay such expenses and further agree to indemnify the Issuer, its members, directors, officers, employees and agents and hold the Issuer and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Issuer in good faith with respect to the Project and the financing thereof.

Section 11. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of issuance of the Issuer Debt Obligations and mortgage recording tax deferrals.

Section 12. Any qualified costs incurred by the Applicant in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Issuer Debt Obligations; provided that the Issuer incurs no liability with respect thereto except as otherwise provided in this Resolution and provided further that the reimbursement is permitted under the Tax Regulatory Agreement.

Section 13. The Issuer, as lead agency, is issuing the following determination pursuant to the State Environmental Quality Review Act (Article 8 of the Environmental

Conservation Law) ("SEQRA") and implementing regulations contained in 6 NYCRR Part 617. Such determination is based upon the Issuer's review of information provided by the Applicant and such other information as the Issuer has deemed necessary and appropriate to make this determination.

The Issuer has determined that the Project, an Unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

(i) The Project will not result in a substantial adverse change in existing traffic, air quality, or noise levels.

(ii) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.

(iii) The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality.

(iv) The Project will not result in a change in existing zoning or land use. The Project will introduce a use appropriate to the existing zoning.

(v) The Project will not result in any adverse effects related to hazardous materials or contamination.

(vi) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable."

Section 14. This Resolution is subject to the approval of a private investigative report with respect to the Applicant, which approval shall be conclusively evidenced by the delivery of the Issuer Documents authorized pursuant to Section 6 hereof. The provisions of this Resolution shall continue to be effective until one year from the date hereof, whereupon the effectiveness of this Resolution shall terminate (except with respect to the matters contained in Section 10 hereof) unless (i) prior to the expiration of such year the Issuer shall (x) have issued the Issuer Debt Obligations for the Project, or (y) by subsequent resolution extend the effective period of this Resolution, or (ii) the Applicant shall be continuing to take affirmative steps to secure financing for the Project.

Section 15. This Resolution constitutes "other similar official action" under the provisions of Treasury Regulation 1.103-8(a)(5) promulgated under Section 103 and related sections of the Internal Revenue Code of 1986, as amended (the "Code"). This Resolution is subject to further compliance with the provisions of Sections 141 through 150 and related provisions of the Code, including, without limitation, the obtaining of public approval for the Project and the Issuer Debt Obligations.

Section 16. The Issuer recognizes that due to the unusual complexities of the financing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the Chairman, Vice Chairman, Executive

Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination.

Section 17. This Resolution shall take effect immediately.

ADOPTED: November 10, 2016

CENTER FOR URBAN COMMUNITY SERVICES, INC.

By: ___________________________
Name:
Title:

Accepted: November __, 2016