

**Build NYC Resource Corporation
Finance Committee Discussion**

The Finance Committee convened on December 8th, 2016 to discuss the following projects:
Services & Advocacy for Gay, Lesbian, Bisexual & Transgender Elders, Inc. and Talmud Torah
Ohel Yochanan & The Bnei Torah Trust

Finance Committee Members: Andrea Feirstein and Barry Dinerstein

Build NYC Staff Members: Edgar Avalos, Lily Berticevich, Krishna Omolade, Johan Salén, Anne Shutkin

Start: 11:00 AM

End: 11:30 AM

Services & Advocacy for Gay, Lesbian, Bisexual & Transgender Elders, Inc.

Services and Advocacy for Gay, Lesbian, Bisexual and Transgender Elders, Inc. (the "Institution"), is 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. The Institution is the country's largest and oldest organization dedicated to improving the lives of lesbian, gay, bisexual and transgender (LGBT) older adults. The Institution is seeking approximately \$8,200,000 in tax-exempt revenue bonds (the "Bonds"). Proceeds from the Bonds will be used to (1) finance the acquisition of condominium unit 6A (the "Facility"), comprising 8,100 square feet of rentable space and 7,083 square feet of usable space, located on the 6th floor of the building located at 301-305 Seventh Avenue, New York, New York 10001, which building is situated on an approximately 8,083 square foot lot, and (2) pay for certain costs and fees related to the issuance of the Bonds. The Facility will be owned and operated by the Institution for the purpose of providing social services to elderly LGBT individuals.

Mr. Dinerstein asked if the Institution's current government contracts were renewable and if this was a stable funding source.

Ms. Feirstein asked what portion of the annual revenue is from government sources.

Staff responded that they would follow up with the committee members to provide information on revenue from government sources and whether the contracts are renewable.

Ms. Feirstein asked how long the Institution had been at the Facility.

Mr. Dinerstein asked if the Institution's activities only took place in New York City or if they operated in other locations.

Mr. Avalos responded that the Institution conducts activities in several different locations.

Mr. Dinerstein asked for the amount of outstanding debt currently held by the Institution. Staff responded that the Institution does not currently have any outstanding debt.

The committee requested that Staff provide additional information prior to recommending for authorization at the December 13th board meeting.

Talmud Torah Ohel Yochanan & The Bnei Torah Trust

Talmud Torah Ohel Yochanan (the "School") is a New York religious corporation. The School is seeking approximately \$15,700,000 in tax-exempt bonds (the "Bonds"), proceeds of which will be used by the School to: (i) refund the Corporation's Revenue Bonds (Talmud Torah Ohel Yochanan Project), Series 2016, originally issued in the aggregate principal amount of \$10,491,000 the proceeds of which, together with other funds of the School, were used to finance or refinance the costs of acquiring, renovating and equipping an approximately 18,000 square foot building located on an approximately 24,000 square foot parcel of land located at 1327 38th Street, Brooklyn, New York 11218 (the "Existing Facility"), and constructing, renovating and equipping an additional 30,539 square foot expansion to the Existing Facility to provide additional classrooms and educational space (the "Expansion" and, together with the Existing Facility, the "Facility"), and pay capitalized interest and costs of issuance related thereto; (ii) refinance taxable loans in the approximate amount of \$4,000,000, the proceeds of which were used to finance costs of the Expansion; (iii) finance or refinance additional costs related to acquisition, construction, renovation and equipping of the Facility; and (iv) pay a redemption premium and certain costs of issuance of the Bonds. The Facility will be owned by The Bnei Torah Trust. The Facility will be operated by the School to provide educational services to boys in pre-kindergarten through grade 8.

Mr. Dinerstein asked how large the Facility will be after the project's completion.

Ms. Berticevich said the Facility will be 48,000 square feet after the Project is complete.

Mr. Dinerstein asked what the current tuition rate is and whether it is anticipated that tuition revenue will be sufficient to repay the Bonds.

Ms. Berticevich responded that the current tuition is \$4,000 in addition to a \$500 registration fee. The School is anticipating growth in student enrollment and resulting growth in tuition revenue. The School has also embarked on a capital campaign to provide additional funds for the project.

Ms. Feirstein asked about the previous approval provided by Build NYC.

Staff responded that in 2015 Build NYC approved the issuance of approximately \$10,491,000 in tax-exempt bonds for the School to acquire, renovate, and equip the Existing Facility.

Mr. Dinerstein asked what portion of the students receive scholarships.

Staff responded that they would follow up with additional information on the portion of students receiving scholarships.

Ms. Feirstein asked whether the Bonds would be at a parity with other School debt and whether the debt service coverage ratio was inclusive of all debt held by the School.

Staff responded that they would follow up with additional information on whether the debt would be at a parity with other School debt.

Ms. Feirstein asked what was anticipated to happen at the end of the term of the Bonds.

Staff responded that the bank purchasing the Bonds has the option of continuing to hold the Bonds or sell the Bonds to another party. The School could also refinance the Bonds at the end of the term.

Additional Information on Services & Advocacy for Gay, Lesbian, Bisexual & Transgender Elders, Inc. and Talmud Torah Ohel Yochanan & The Bnei Torah Trust

The following information was provided to the committee members on December 12th 2016 from which point no further concerns were raised:

Services & Advocacy for Gay, Lesbian, Bisexual & Transgender Elders, Inc.

About 37% of the Institution's revenue is from government contracts. These contracts are stable and there is no indication that the contracts will not be renewed.

Talmud Torah Ohel Yochanan & The Bnei Torah Trust

About 65% of the School's students receive some level of scholarship.

The Bonds will have priority over the School's existing debt.