

RESOLUTION APPROVING THE TRANSFER OF REAL PROPERTY  
LOCATED AT 483 – 503 HERKIMER STREET, BROOKLYN, NEW YORK

WHEREAS, on December 2, 2012, Interfaith Medical Center (“IMC” or Interfaith”) filed a petition under Chapter 11 of the United States Bankruptcy Code on December 2, 2012; and

WHEREAS, on June 11, 2014 the United States Bankruptcy Court confirmed a Chapter 11 Plan (effective on June 19, 2014), which resulted in, *inter alia*, Atlantic Avenue Healthcare Property Holding Corporation (“Atlantic Avenue”) taking title to Interfaith’s real property, and a restructured Interfaith (“New IMC”) operating a hospital at the premises subject to a lease and related agreements with Atlantic Avenue; and

WHEREAS, as a result of these proceedings, Atlantic Avenue holds fee title to certain real property located at 483 – 503 Herkimer Street in Brooklyn, New York; and

WHEREAS, the enacted State Budget for 2019-20 included special legislation authorizing Atlantic Avenue to transfer the property known as 483 – 503 Herkimer Street (and three other Atlantic Avenue parcels not at issue herein) as directed by the Commissioner of DHCR, and upon such terms and conditions as the Commissioner may fix and determine, pursuant to a plan to increase access and quality of health care services and preventative care and create affordable housing to transform Central Brooklyn (Part C of Chapter 58 of the Laws of 2019 of the State of New York, creating a new Public Authorities Law section 1678[25] subdivisions [e] and [f]); and

WHEREAS, this special legislation supports Governor Cuomo’s Vital Brooklyn policy initiative, a comprehensive program intended to break down barriers to health and well-being in an area of Central Brooklyn with measurably higher rates of obesity, diabetes and high blood pressure by, *inter alia*, improving access to healthy food sources, quality affordable housing, opportunities for physical activity, and high-quality health care and mental health services; and

WHEREAS, following the completion of a Vital Brooklyn Request for Proposals (“RFP”) led by the New York State Division of Homes and Community Renewal (“DHCR”), DHCR has selected Federation of Organizations for the New York State Mentally Disabled, Inc. (“Federation”), a New York not-for-profit corporation, as the developer of the property known as 483 – 503 Herkimer Street; and

WHEREAS, as required by the special legislation, DHCR’s selection is subject to the commitments of Federation described in the Vital Brooklyn Housing Project Plan: Interfaith Herkimer (Site A) / 483 – 503 Herkimer Street (the “Project Plan”), attached hereto and made a part hereof; and

WHEREAS, in accordance with the special legislation, the Project Plan has been approved by the Commissioner of DHCR, the Commissioner of Health (“DOH”), and the Director of the Division of the Budget (“DOB”); and

WHEREAS, in accordance with the special legislation, DHCR has directed Atlantic Avenue to proceed with the transfer of 483 – 503 Herkimer Avenue for nominal consideration, consistent with the approved Project Plan and all requirements in the special legislation; and

WHEREAS, Staff has had the opportunity to review the special legislation, review information concerning Federation and the approved Project Plan and consult with State counterparts; and

WHEREAS, Staff has had the opportunity to consult with external Bond and Tax Counsel, as required by the special legislation, and reach preliminary concurrence that the proposed transfer of 483 – 503 Herkimer Street will not impair the tax-exempt status of any outstanding DASNY bonds or other obligations; and

WHEREAS, Staff with DASNY’s Office of Environmental Affairs (“OEA”) has conducted a review of the proposed pursuant to the State Environmental Quality Review Act (“SEQRA”) and other applicable law, and concluded that the proposed transfer is an action that: (a) will not have any significant adverse impact(s) on the environment (including without limitation cultural historical or cultural resources in or eligible for inclusion in the State and National Registers of Historic Places); and (b) would meet smart growth criteria and other objectives in the State Smart Growth Public Infrastructure Policy Act (“SSGPIPA”); and

WHEREAS, Staff requests authorization from the Atlantic Avenue Board to proceed with the transfer of the property known as 483 – 503 Herkimer Street, subject to the approved Project Plan and special legislation, including without limitation negotiation and execution of a Purchase and Sale Agreement in form and content acceptable to an Authorized Officer of Atlantic Avenue, receipt of the required opinion from Bond and Tax Counsel, and receipt of the survey and property description as required by the special legislation; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Atlantic Avenue Healthcare Property Holding Corporation, as follows:

1. The actions and determinations of Staff to date with respect to the review of this matter are hereby adopted and approved, and Staff and external counsel are authorized to proceed to take the necessary action and prepare the appropriate documents consistent with this Resolution; and
2. An Authorized Officer of Atlantic Avenue is hereby authorized to negotiate and execute a Purchase and Sale Agreement with Federation in form and content acceptable to such Authorized Officer, and to execute and deliver any and all further documents and to take all actions, consistent with the Project Plan and special legislation, as he or she may in his or her sole discretion consider to be necessary or proper to effectuate and complete the transfer and closing of title for certain real property located at 483 – 503 Herkimer Street, Brooklyn, New York.

Dated: September 9, 2020