

A Conference Call / Video Conference Meeting of the Atlantic Avenue Healthcare Property Holding Corporation was held via conference call and video conference on Wednesday, April 6, 2022 at 9:35 a.m. with Members participating via Zoom.

CALL TO ORDER / ROLL CALL

The Meeting was called to order by Alfonso Carney, Board Chair at 9:35 a.m. and a quorum was declared present.

Sara Richards, Assistant Secretary, called the roll.

The following Board Members and Staff were present:

Board Members Present – Via Zoom

Alfonso L. Carney, Jr. – Chair
John B. Johnson—Vice-Chair
Beryl L. Snyder, Esq. – Secretary
Gerard Ronski, Esq. – Board Member
Wellington Chen, Board Member
Joan M. Sullivan – Board Member (by phone)
Janice McKinnie – Board Member
Phyllis Morris, Designated Representative of the Commissioner of Education, Board Member (*ex officio*) – Board Member
Kenneth Evans, Designated Representative of the Commissioner of Health, Board Member (*ex officio*) – Board Member

Board Members Absent

Jonathan Gardner, Esq. – Board Member
Adrian Swierczewski, Designated Representative of the Director of the Budget, Board Member (*ex officio*) – Present

Staff Members Present - via Zoom

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Kimberly A. Ellis, Chief Financial Officer
Nadine Fontaine, Esq., General Counsel
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Steve Curro, Managing Director, Construction
Ricardo Salaman, Esq., Deputy General Counsel
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration
Kathy Ebert, Senior Director, Internal Audit
Jeffrey Gordon, Senior Director, Communications & Marketing

Dena Amodio, Esq., Assistant General Counsel
Deborah Fasser, Director, Strategic Communications and Business Development
Craig Schreivogl, Director, Portfolio Monitoring
Matthew T. Bergin, Director, Public Finance
David Ostrander, Assistant Director, Public Finance & Portfolio Monitoring
Steve Kosier, Assistant Director, Public Finance & Portfolio Monitoring
Karen Ehlinger, Manager, Internal Control Analysis
Alex Sirdine, Financial Analyst
Amanda Nazario, Confidential Legal Assistant

Bond Counsel – via Zoom

Damon Pace, Esq., Orrick Harrington & Sutcliffe, LLP
Alison Radecki, Esq., Orrick Harrington & Sutcliffe, LLP
Natalia Pearson-Farrer, Esq., Golden Holley James LLP
Melissa Bennett, Esq., Barclay Damon, LLP
Michael Cobbs, Brown Hutchinson LLP

ELECTION OF OFFICERS -- RESOLUTION

The Chair directed the Members' attention to the draft Resolution in the Board materials setting forth the following slate of Officers for Atlantic Avenue:

Stanley J. Reed, Assistant Treasurer
Dena T. Amodio, Assistant Secretary
Frederick W. Clark, III, Assistant Secretary
Kay M. Edwards, Assistant Secretary
R. Nadine Fontaine, Assistant Secretary
Sara Potter Richards, Assistant Secretary
Ricardo Salaman, Assistant Secretary

Mr. Chen moved adoption of the following entitled Resolution:

A RESOLUTION OF THE ATLANTIC AVENUE HEALTHCARE PROPERTY HOLDING CORPORATION ELECTING OFFICERS OF THE CORPORATION

Ms. McKinnie seconded the motion and the Resolution was unanimously adopted.

APPROVAL OF JANUARY 5, 2022 BOARD MEETING MINUTES

Upon a motion by Ms. Snyder and a second by Mr. Ronski, the minutes of the January 5, 2022 Meeting were reviewed and approved unanimously.

ANNUAL REVIEW OF CERTAIN CORPORATE DOCUMENTS AND POLICIES

Ms. Richards directed the Members' attention to the Mission Statement, Performance Measures and Metrics, and the Corporation's By-laws. She reminded the Members that the Subsidiary Board is required to review these documents annually. Ms. Richards stated that the Governance Committee conducted its annual review at its meeting on March 1, 2022 and no revisions are being recommended at this time.

The Atlantic Avenue Holding Corporation Board reviewed and approved the Mission Statement, Performance Measures and Metrics and By-laws and agreed no changes are necessary at this time.

PRESIDENTS REPORT

President McDaniel asked Craig Schreivogl to provide an update on the Atlantic Avenue Subsidiary. Mr. Schreivogl reported that over the past year, Interfaith and the entire One Brooklyn Health System have continued to progress its transformation plan using funds from the \$664 million grant that OBHS was awarded in 2018. To date, approximately 25% of the grant award has been disbursed to OBHS by DOH for the various project components. He informed the Members that the three priorities of the transformation plan have not changed and are the establishment of a 30 plus site ambulatory care network; integrated IT system improvements to standardize clinical and patient accounting applications; and facility infrastructure investments to support the clinical restructuring system.

Mr. Schreivogl reported that a second parcel of real property owned by Atlantic Avenue was conveyed in early 2022 in connection with the Vital Brooklyn initiative following this Board's approval. He stated that the property was conveyed after an RFP process to create affordable housing and increase access and quality of healthcare services in central Brooklyn. He further stated that DASNY staff is working with DHCR and other State entities regarding the potential conveyance and transformation of two more Atlantic Avenue properties, for a total of 4 properties. Mr. Schreivogl noted that Board approval will be obtained for each of these.

Mr. Schreivogl stated that Staff is working on a plan to release mortgages on two Kingsbrook properties to enable the land to be utilized for low-income housing projects. He noted that while Atlantic Avenue does not own the parcels and therefore no action is required in connection with these Vital Brooklyn projects, a mortgage on the entire Kingsbrook campus, including these two smaller parcels, help to secure a \$29 million note owed to Atlantic Avenue for old lease payments not made by Interfaith Medical Center. As such, Atlantic Avenue would be giving up a small portion of security which collateralized the note.

Operationally, OBHS continues to be affected by the COVID pandemic. Mr. Schreivogl stated that like many other New York City hospitals, total volume has not fully rebounded to pre-COVID levels. He informed the Members that the continued flow of State subsidy funding, federal financial assistance for COVID-related expenses and lost revenue, along with Medicare accelerated payments have helped Interfaith and OBHS financially endure continued challenges. The organization remains highly dependent upon State support and is expected to remain so for the upcoming fiscal year.

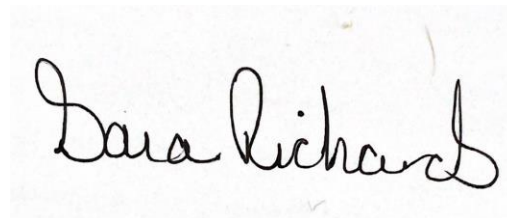
Mr. Ronski asked for more details regarding the status of the Interfaith property after the conveyance of the four parcels. Mr. Schreivogl explained that Atlantic Avenue will continue to own about 90% of the Interfaith campus even after the four parcels are conveyed for low-income housing purposes as part of the Vital Brooklyn initiative. He stated that the subsidiary will continue to own the campus until at least 2028, which is when the lease with Interfaith ends. He noted, however, that the lease may be renewed at that point and that various State entities will work together to determine how to proceed at that point in time.

In response to a question from Mr. Johnson, Mr. Schreivogl explained that OBHS is the parent entity for Interfaith, Kingsbrook, and Brookdale, and Atlantic Avenue owns the entire Interfaith campus. He stated that the State provides operational subsidies to the OBHS system, as it does for 25 other safety net hospitals throughout the State that are highly Medicaid and Medicare dependent. He noted that without the operational subsidies, it would not be possible for the safety net hospitals to continue serving patients.

The Board Chair inquired about the level of community support for the property transfers and the OBHS transformation initiative. Mr. Evans stated that the community has been actively involved in the transformation initiatives that DOH is overseeing. He concurred with Mr. Schreivogl regarding the importance of government subsidies to the safety net hospitals. Mr. Evans explained that these hospitals need the subsidies in order to continue operations and serve the community. Mr. Evans stated that there is a great deal of public communication regarding the transformation initiatives, and that DOH takes the public opinion into account in the decision-making process. Mr. Ronski asked whether DHCR has discussed future plans with the local Community Boards and stated that the Community should have the opportunity for input. Mr. Evans said that DHCR has done extensive local outreach, and that community boards were involved with drafting the RFP. He stated that DOH, DHCR, and DOB have been sensitive to community needs throughout the Vital Brooklyn initiative and specifically, the plans to convey the four properties identified.

Upon a motion from Mr. Johnson and a second from Mr. Chen, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Sara Richards". The signature is written in a cursive style and is centered on the page.

Sara Richards
Assistant Secretary