

RESOLUTION APPROVING THE TRANSFER OF REAL PROPERTY
LOCATED AT 528 PROSPECT PLACE (a/k/a 575 PARK PLACE),
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; 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 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 parcels of real property including, *inter alia*, that property commonly known as 528 Prospect Place (a/k/a 575 Park Place), Brooklyn, New York; and

WHEREAS, pursuant to special legislation (Public Authorities Law § 1678 [25] [e] & [f], as added by Part C of Chapter 58 of the Laws of 2019), Atlantic Avenue was expressly authorized to transfer the property commonly known as 528 Park Place (a/k/a 575 Park Place) as directed by the Commissioner of the New York State Division of Homes and Community Renewal (“DHCR”), and upon such terms and conditions as the Commissioner may fix and determine, pursuant to a plan to increase access to, and quality of, health care services and preventative care, and to create affordable housing, in support of the State’s Vital Brooklyn policy initiative to transform central Brooklyn; and

WHEREAS, following the completion of DHCR’s Vital Brooklyn Request for Proposals procedure, DHCR selected HELP Development Corp., a New York not-for-profit corporation (the “Developer”), as the Developer of the property commonly known as 528 Prospect Place (a/k/a 575 Park Place); and

WHEREAS, as required by the special legislation, the Developer’s selection is subject to the commitments set forth in DHCR’s “Vital Brooklyn Housing Project Plan Bishop Walker Health Center (Site I) – 528 Prospect Place a/k/a 575 Park Place” (the “Project Plan”); 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 and pursuant to the Project Plan, DHCR has directed Atlantic Avenue to proceed with the transfer of 528 Prospect Place (a/k/a 575 Park Place) for nominal consideration to HELP Park Place Housing Development Fund Corporation, a not-for-profit corporation organized under Article XI of the New York State Private Housing Finance Law which was formed and controlled by the Developer to facilitate the project’s financing; and

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

WHEREAS, in the event that there are outstanding tax-exempt bonds or other obligations issued by DASNY to finance or refinance the property, the special legislation requires bond counsel to opine that the proposed transfer of 528 Prospect Place (a/k/a 575 Park Place) will not impair the tax-exempt status of such outstanding DASNY bonds or other obligations; and

WHEREAS, there are currently no outstanding tax-exempt bonds or other obligations issued by DASNY to finance or refinance the property and, therefore, the provision referring to an opinion of bond counsel is moot; and

WHEREAS, DASNY's Office of Environmental Affairs ("OEA") has conducted a review of the proposed project 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, 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 ("SSGPIA"); and

WHEREAS, Staff requests authorization from the Atlantic Avenue Board to proceed with the transfer of the property known as 528 Prospect Place (a/k/a 575 Park Place), 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, and receipt of the survey and property description as required by the special legislation;

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 HELP Park Place Housing Development Fund Corporation, 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 commonly known as 528 Prospect Place (a/k/a 575 Park Place), Brooklyn, New York.

Dated: April 12, 2023