



John Graham
DEPUTY COMPTROLLER
AUDITS, ACCOUNTANCY & CONTRACTS

THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
EXECUTIVE OFFICES
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

TELEPHONE: (212)669-2797
FAX NUMBER: (212)815-8631
WWW.COMPTROLLER.NYC.GOV

EMAIL: JGRAHAM@COMPTROLLER.NYC.GOV

June 10, 2008

Kyle Kimball
Executive Director
New York City
Capital Resource Corporation
110 William Street
New York, NY 10038

Dear Mr. Kimball:

I write with respect to the proposal to amend the New York City Capital Resource Corporation's (CRC) Certificate of Incorporation. The amendment would remove the CRC's obligation to comply with future legislative changes to provisions of the New York State IDA Act, including important reforms supported by the Comptroller. The Comptroller's Office, therefore, cannot support this proposal as written. However, recognizing the need of non-profits to refinance existing debt through the CRC, we recommend a modified approach that can accomplish that goal while preserving the opportunity for future reforms.

CRC's Certificate of Incorporation allows it to provide financial assistance only to entities which propose projects that would also be eligible to receive benefits from the New York City Industrial Development Agency (NYCIDA). The amendment would change that requirement to projects eligible to receive NYCIDA benefits as of December 22, 2005, the date that the CRC was created. One of the main reasons for the change is to allow the CRC to provide financial benefits to not-for-profit organizations for civic facility related projects.

The proposed amendment would, therefore, remove the CRC from any requirement to abide by future statutory reforms imposed on the NYCIDA, such as, living wage or oversight requirements. These reforms, among others, were recommended by the Comptroller in a January 18, 2008 letter to the NYCIDA (copy attached). Accordingly, the Comptroller's Office cannot support the amendment.

Nevertheless, the Comptroller's Office understands that there are a number of not-for-profit organizations that badly need to refinance existing financial packages due to problems in the existing credit market. Accordingly, we recommend that the Certificate of Incorporation be amended to specifically allow the CRC to accommodate the refinancing needs of not-for-profit organizations. We further recommend that this change sunset on December 31, 2008, or at a

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later mutually agreed upon date. In this way, we can address the immediate problem while we continue a meaningful dialogue on this important subject.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Graham", with a long horizontal flourish extending to the right.

c. Seth Pinsky