

HHC Capital Corporation Semi-annual Meeting

July 31, 2025, 1:00 p.m.
50 Water Street – 17th Floor Boardroom
New York, New York 10004

AGENDA

- | | | |
|------|---|--------------|
| I. | Call to order
Adoption of minutes for the HHC Capital
Corporation Meeting held on February 27, 2025 | Freda Wang |
| II. | H+H Outstanding Bond Portfolio + Profile | Linda DeHart |
| III. | 2008 Series B-E Bonds Historical Interest Rates | “ |
| IV. | 2020 Bonds A Bonds – Construction Fund Balance | “ |
| V. | 2020 Bonds A (NM) Bonds – Project Activity Update | “ |
| VI. | Outstanding Equipment Loans | “ |
| VII. | Old business, new business and adjournment | Freda Wang |



MINUTES

**HHC Capital Corporation
Semi-annual Public Meeting**

Meeting Date: February 27, 2025
Location: 50 Water Street
17th Floor Board Room

ATTENDEES

Members of the HHC Capital Corporation Board of Directors

Freda Wang, Chair
José A. Pagán, PhD
Dr. Mitchell Katz

Other members of the NYC Health and Hospitals Board of Directors

Erin Kelly (representing Anne Williams-Isom)
Karen St. Hilaire (representing Molly Wasow Park)
Dr. Zahirah McNatt (representing Michelle Morse, MD, PhD)
Dr. Vincent Calamia
Anita Kawatra
Michael Espiritu, MD
Vanessa Rodriguez

NYC Health + Hospitals Staff

Andrea Cohen, Senior Vice President and General Counsel and Secretary, HHC Capital Corporation
Linda DeHart, Vice President, Finance
Thomas Tran, Senior Director, Debt Finance
Paulene Lok, Senior Director, Debt Finance
Claudia Chiuaru, Assistant Director, Debt Finance
Mahendranath Indar, AVP, Facilities Development Administration
Anniqua Brown, Senior Director, Facilities Development Administration
Colicia Hercules, Secretary to the Health and Hospitals Corporation, Chairman's Office
Janny Jose, Associate Director, Board of Directors Office

**HHC Capital Corporation – Semi-annual Public Meeting
Thursday, February 27, 2025**

Ms. Freda Wang chaired the meeting of the HHC Capital Corporation Board of Directors (the "Board").

Call to Order:

The HHC Capital Corporation meeting was officially called to order at 3:53 p.m. by Ms. Wang. She noted for the record that Erin Kelly is representing Anne William-Isom, Karen St. Hilaire is representing Molly Wasow Park, and Dr. Zahira McNatt is representing Dr. Michelle Morris – all in a voting capacity.

Adoption of Minutes:

Ms. Wang asked for a motion to adopt the minutes of the previous meeting that was held on September 26, 2024. The Board unanimously adopted the minutes.

Ms. Wang then introduced Ms. Linda DeHart to provide an update to the Board.

Ms. DeHart introduced Thomas Tran, Paulene Lok and Claudia Chiuaru from Debt Finance team and Mahendranath Indar and Anniqua Brown from the Office of Facilities Development (OFD). Ms. DeHart noted Paulene will be retiring later this year and thanked her for many years of service.

Ms. DeHart reminded the Board that the HHC Capital Corporation was created as part of the security structure for NYC Health + Hospitals' ("H+H") bonds. Ms. DeHart noted a completion of a formal process to recognize HHC Capital Corporation as a home office, that allows HHC to associate the revenue collected by Capital Corporation with the facilities.

HHC Outstanding Bond Portfolio (slide 1):

Mr. Tran noted that the meeting today would present information as of December 31, 2024. Mr. Tran provided an overview of H+H's current outstanding tax-exempt bonds portfolio of approximately over \$400 million, of which about \$295 million are fixed rate bonds and \$112 million are variable rate bonds. The variable rate bonds are supported by letters of credit provided by TD Bank and JPMorgan Chase Bank. Mr. Tran noted two rating actions by S&P in October and November. S&P downgraded TD Bank from A1+ to A1 in October and upgraded JP Morgan from A1 to A1+ in November. Ms Wang asked about minimum rating threshold triggered by these rating actions. Mr. Tran confirmed there were none at this time.

HHC 2008 Series B-E Bonds Historical Interest Rates (slide 2):

Mr. Tran explained the weekly interest rate and spread to SIFMA for H+H's variable rate bonds performance since inception. He noted that interest rates

volatility has been driven by market activities such as Federal Open Market Committee rate decisions, elections, tariffs, money market funds flows and geopolitical matters.

HHC Bonds – Outstanding Bonds Profile (slide 3):

Slide 3 of the presentation shows the current ratings of H+H's existing bonds and a drop of existing aggregate debt service in FY2031 and a summary table of the outstanding fixed and variable rate bonds. Mr. Tran pointed out that H+H's outstanding debt level has significantly dropped; of total issuances of approximately \$3.3 billion since 1993, \$408 million is currently outstanding.

Construction Fund Balance on the 2020 Bonds (slide 4):

Mr. Tran reported the status of H+H's \$100 million 2020 Series A construction fund. Mr. Tran reported that withdrawals through December 2024 from the 2020 bonds issuance totaled \$89 million to reimburse H+H for project expenditures, with a remaining balance of \$14 million.

2020 New Money Bonds – Project Activity Update (slide 5-7):

Mr. Tran described that the \$100 million planned spending activity was allocated to various facilities and by equipment types. Mr. Tran also provided an update of total infrastructure project spending through December 2024 as well as an overview of the infrastructure project spending timeline. He noted that anticipated projects funds will be substantially spent down by June 2025 and twelve month closeout period by June 2026.

Outstanding Equipment Loan (slide 8):

Mr. Tran explained that, separate from the bond program, the H+H Board has authorized short-term financing up to \$120 million at any time. Mr. Tran reported that as of December 2024, there are two series of short-term loans outstanding with JPMorgan Chase Bank totaling \$34 million.

Adjournment:

There being no further business to bring before the Board, Ms. Wang adjourned the meeting at 4:08 p.m.



Andrea Cohen, Esq.
Secretary to the Board of
Directors



HHC Capital Corporation

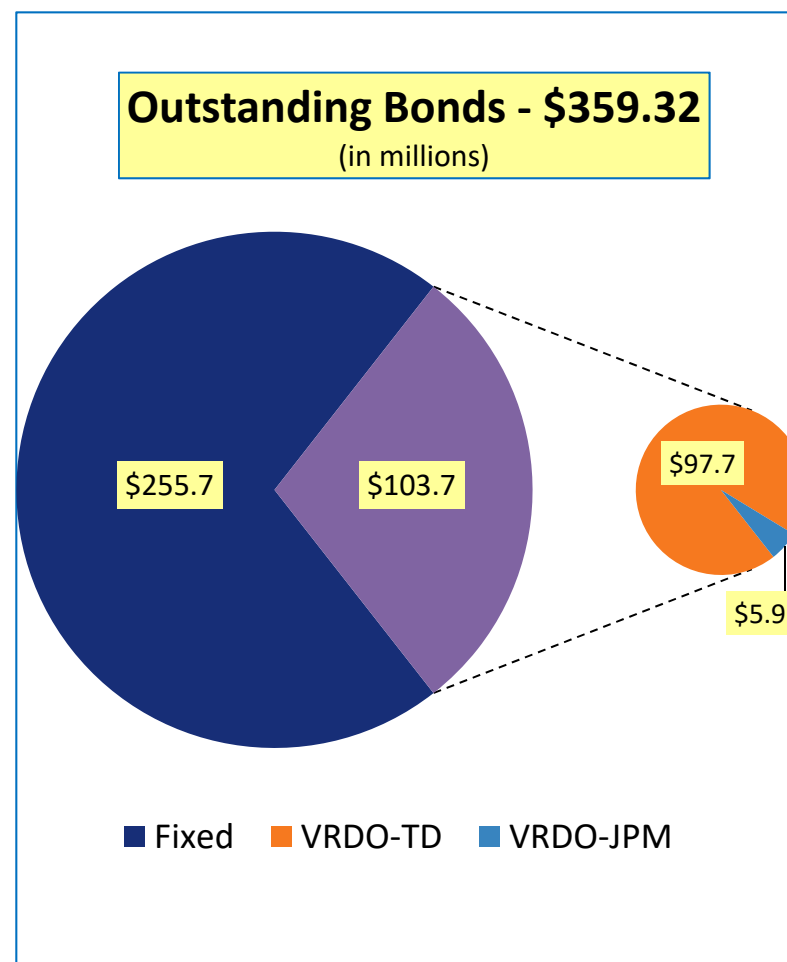
Semi-Annual Meeting for Period Ending June 30, 2025

July 31, 2025

H+H Outstanding Bond Portfolio

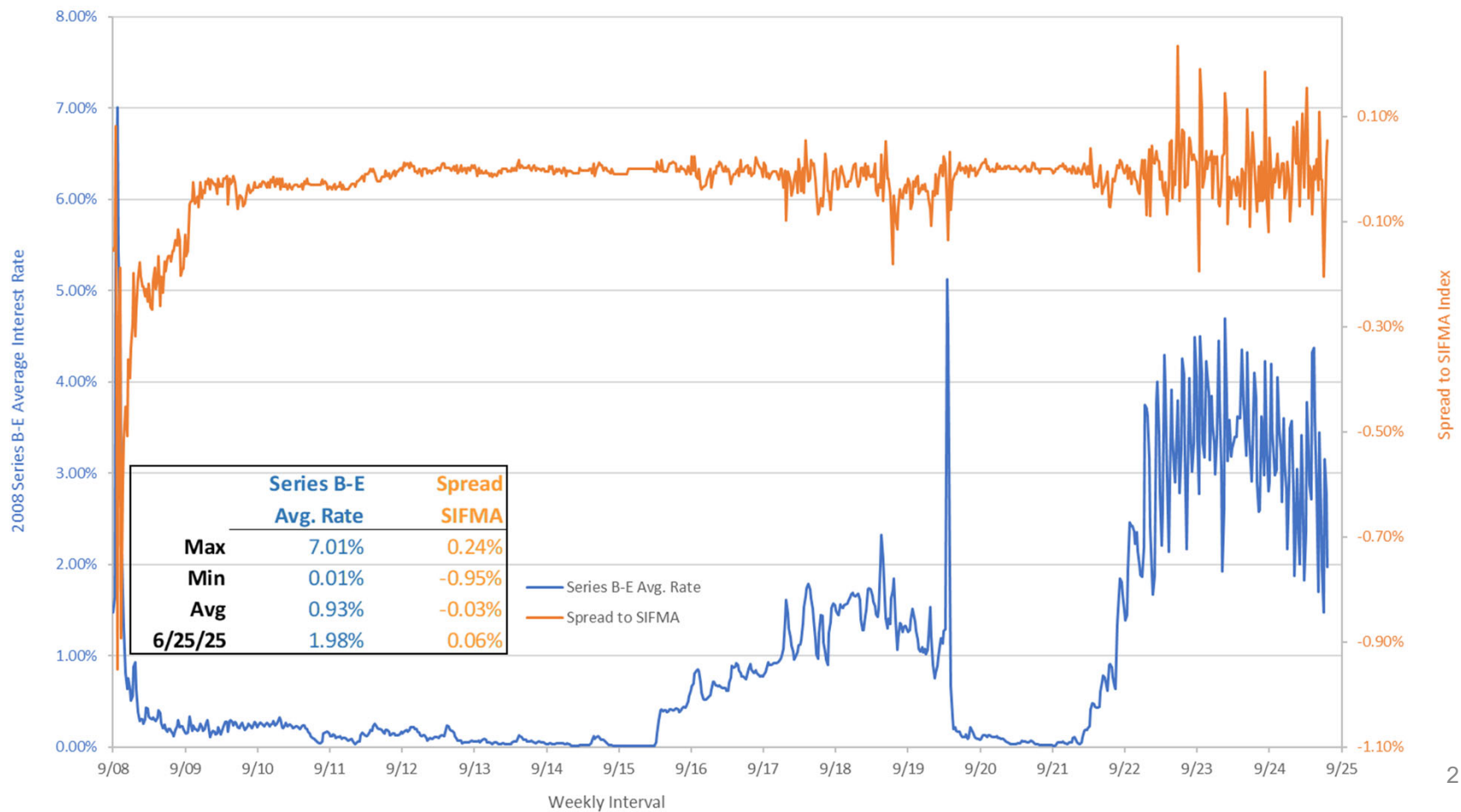
As of June 30, 2025, H+H has \$103.655 million (28.8%) of tax-exempt variable rate bonds and \$255.67 million (71.2%) of tax-exempt fixed rate bonds outstanding.

- Variable rate bonds are supported by letters of credit (“LOC”) provided by TD Bank (94.3%) and JPMorgan Chase Bank (5.7%).
- The final maturity for the Series 2008 B-C variable rate bonds is 2/15/31, supported by TD Bank’s LOC, which expires 9/3/27.
- The final maturity for the Series 2008 D-E variable rate bonds is 2/15/26, supported by JPMorgan’s LOC, which expires 2/15/26 (same as the bonds).
- Morgan Stanley and TD Securities are the remarketing agents for Series BD and Series CE, respectively.
- Variable rate bond interest rates
 - FY25Q4 weekly rate reset at 1.98% on 6/25/25
 - Average weekly rate of 2.67% for 2025
 - Latest weekly rate reset at 2.85% on 7/23/25
 - Estimated \$75.2 million interest savings from inception through 6/30/25 compared to fixed rate debt.



2008 Series B-E Bonds Historical Interest Rates

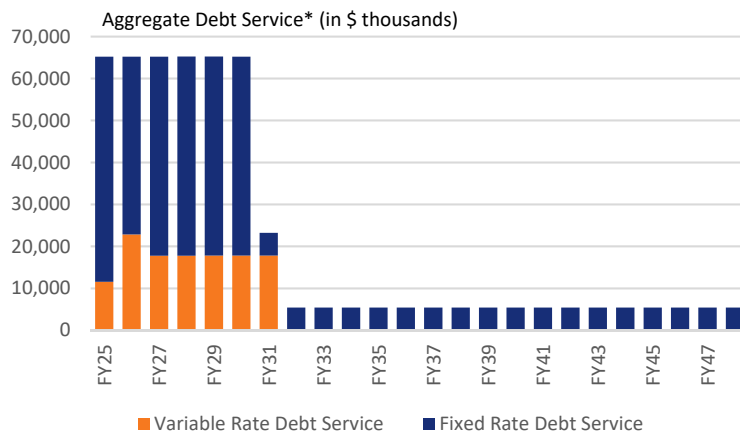
2008 Series B-E Weekly Interest Rate and Spread to SIFMA Since Inception



Outstanding Bonds Profile

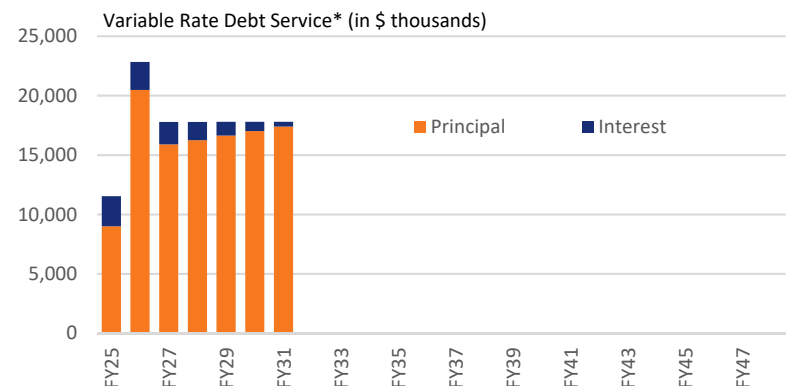
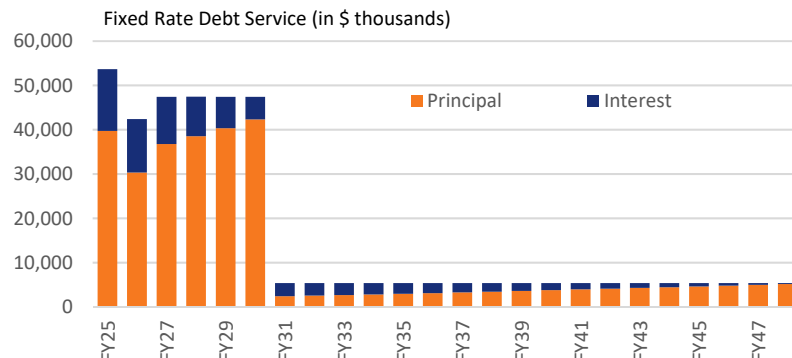
H+H Credit Ratings: Moody's Aa3, S&P A+ and Fitch AA-

- Since 1993, the System has issued eleven bond series with a total par amount of \$3.33 billion including refundings, which over the life of the program has saved approximately \$145 million.
- As two remaining outstanding bond series begin to amortize, existing aggregate debt service shows a drop starting in FY2031 and level debt service thereafter.



*Assumed 2.25% interest rate for variable rates bonds until maturity

Date	Bond Series	Initial Par Amount (in \$ millions)	True Interest Cost	Refunding Savings (in \$ millions)	Outstanding Par Amount (in \$ millions)	Final Maturity	Mode
9/4/08	2008 B-E	189.000	3.102%	N/A	103.655	2/15/31	Variable
1/5/21	2020 A	310.195	1.789%	60.506	255.670	2/15/48	Fixed
	Total	499.195		60.506	359.325		



2020 Health System Bonds

Construction Fund – Cash Flow as of June 30, 2025

(Unaudited, in \$millions)

Drawdown Period	Activity/Action	Construction Fund = Deposits at Issuance + Interest Earnings	(Withdrawals)	Construction Fund Balance
01/05/2021	Construction Fund at Issuance Date	100.000		100.000
	Interest Earnings (as of 6/30/2025)	4.134		104.134
FY 2021	Drawdown		(1.403)	102.731
FY 2022	Drawdown		(24.690)	78.042
FY 2023	Drawdown		(35.732)	42.310
FY 2024	Drawdown		(22.091)	20,218
FY 2025	Drawdown		(7.282)	12.936
	Totals	104.134	(91.198)	12.936

As of	Approved Project Budget ("CPs")	Total PO Encumbrances	Total Drawdowns	Encumbered Construction Fund Balance	Unencumbered Construction Fund Balance
6/30/25	98.309	97.219	91.198	6.021	6.915

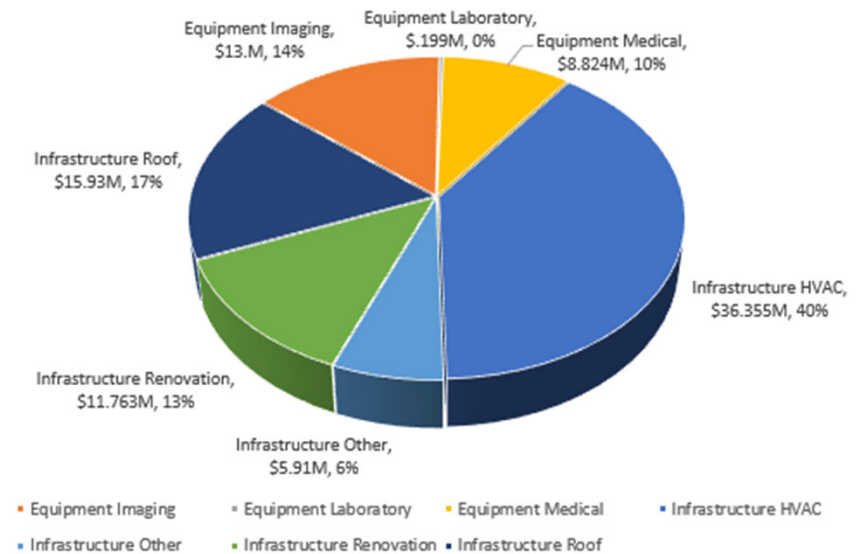
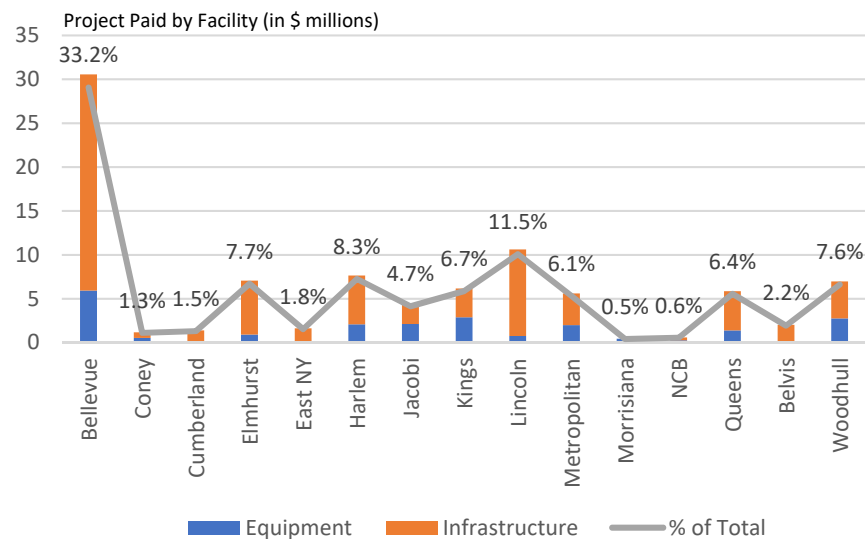
- (a) Earned approximately \$4.13 million since inception with an estimated annualized yield of 0.91%.
- (b) Drawdowns are not reflective of actual timing of capital spending.
- (c) OFD continues to review and reconcile the projects with open encumbrances. Any project close out results in excess funds will be re-purposed for other priority projects.

H+H 2020 Bond Funded Activity Update

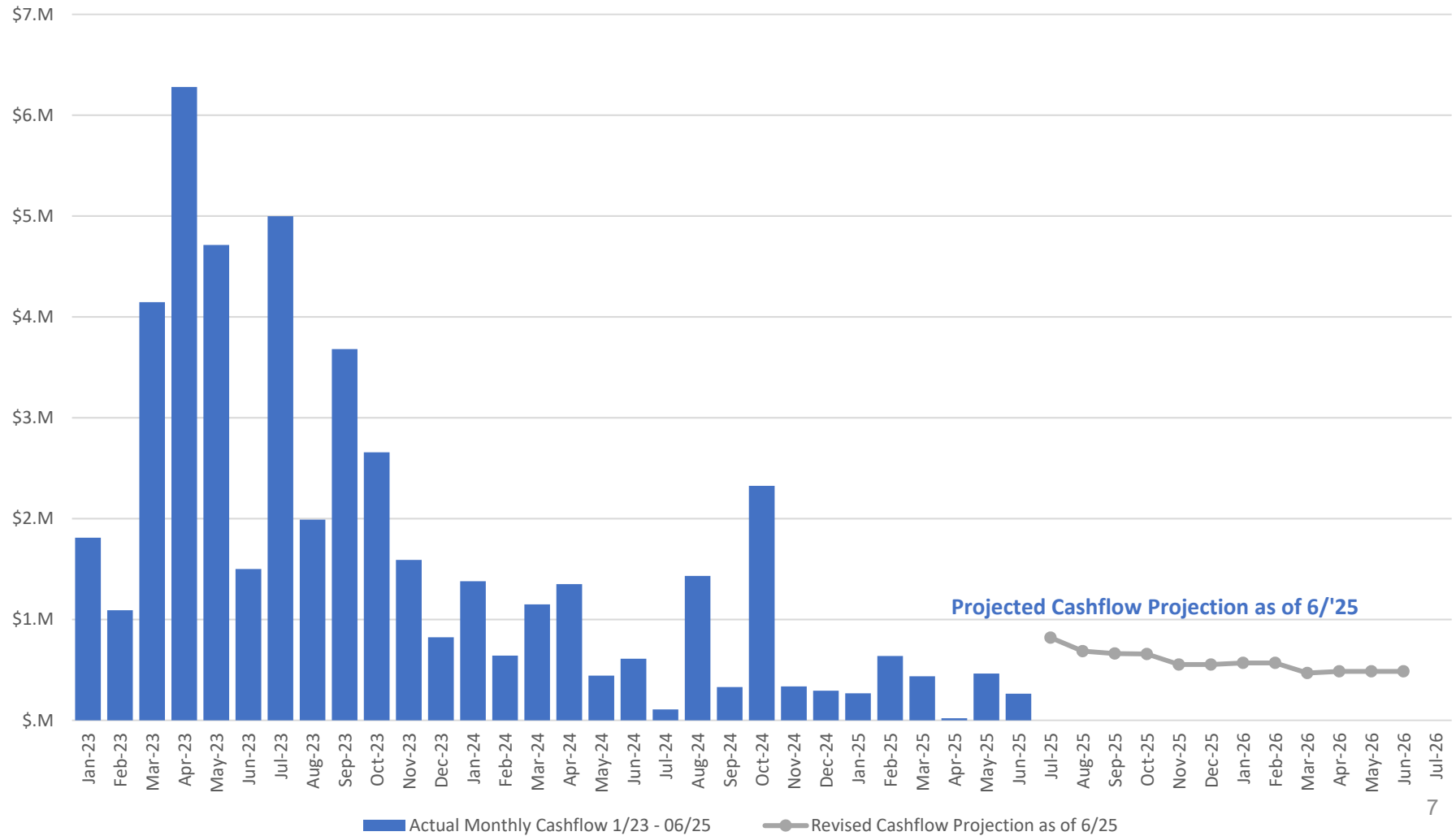
- \$91 million total spending through June 2025
- Infrastructure
 - Total spending through June 2025 of \$71 million; \$11 million remains unspent
 - Spent \$6.9 million from July 2024 to June 2025, compared to projected spending for the period of \$8.4 million
 - Projected timeline to fully spend the construction fund balance remains through June 2026, however, substantial completion for the (4) remaining active projects - approximately \$4 million of spending – is projected by December 2025. Final project close out is projected to take an additional 6 months during which the remaining \$7 million will be spent
- Equipment
 - All projects were completed as of December 2022, with total project spending of \$22 million

2020 Series A Bonds - \$100M New Money

Project Paid as of 6/30/2025



Bond Funded Infrastructure Cash Flow



Outstanding Equipment Loans (\$millions)

- H+H Board has authorized equipment loan borrowing not to exceed \$120 million outstanding at any time.
- As of June 30, 2025, approximately \$33 million is outstanding under 2022 JPMorgan Chase loans

Date	Activity/Action	Remaining Loan Capacity	Borrowed Funds
06/15/2022	Issuance – 2022A Loan (Elmhurst Boiler Project)	0.000	19.389
06/15/2022	Issuance – 2022B Loan (Metropolitan Boiler Project)	0.000	20.362
Total		0.000	39.751
Outstanding Loan as of June 30, 2025			33.005

- **Background:** Refunded 2018 NYPA boiler project variable rate loans originally scheduled to mature on August 1, 2038
- **Term:** 15 years, tax exempt fixed rate matures on June 15, 2037
- **Interest rate:** 2.6436%