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Hearing Date: May 1, 2019
Hearing Time: 4:00 p.m.
Objection Date: April 24, 2019

*Proposed Counsel for Park Monroe Housing
Development Fund Corporation, Northeast
Brooklyn Partnership and 984-988 Greene
Avenue Housing Development Fund Corporation,
Debtors and Debtors-in-Possession*

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

PARK MONROE HOUSING DEVELOPMENT
FUND CORPORATION,

Case No. 19-40820 (CEC)

Debtor.

-----X

In re:

Chapter 11

NORTHEAST BROOKLYN PARTNERSHIP,

Case No. 19-40822 (CEC)

Debtor.

-----X

In re:

Chapter 11

984-988 GREENE AVENUE HOUSING
DEVELOPMENT FUND CORPORATION,

Case No. 19-40823 (CEC)

Debtor.

-----X

**NOTICE OF HEARING ON MOTION OF
PARK MONROE HOUSING DEVELOPMENT FUND CORPORATION,
NORTHEAST BROOKLYN PARTNERSHIP, AND
984-988 GREENE AVENUE HOUSING DEVELOPMENT
FUND CORPORATION FOR INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING
ADEQUATE PROTECTION, AND (III) SCHEDULING A FINAL HEARING**

TO THE HONORABLE CARLA E. CRAIG,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

PLEASE TAKE NOTICE that PARK MONROE HOUSING DEVELOPMENT FUND CORPORATION, NORTHEAST BROOKLYN PARTNERSHIP and 984-988 GREENE AVENUE HOUSING DEVELOPMENT FUND CORPORATION (the “**Debtors**”), debtors and debtors-in-possession, filed the annexed Motion (the “**Motion**”) for an interim order, substantially in the form attached to the Motion as Exhibit A (the “**Interim Cash Collateral Order**”), and a final order (the “**Final Cash Collateral Order**,” and together with the Interim Cash Collateral Order, the “**Cash Collateral Orders**”) (a) authorizing the Debtors to use Cash Collateral (as defined in the Motion) pursuant to sections 361 and 363 of Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”); (b) approving the form of adequate protection provided to the City of New York, as purported secured lender, pursuant to sections 361 and 363 of the Bankruptcy Code; (c) scheduling a final hearing (the “**Final Hearing**”) on the Motion; and (d) granting related relief.

PLEASE TAKE FURTHER NOTICE that a hearing to consider the relief sought in the Motion and the issuance and entry of an Interim Cash Collateral Order will be held before the Honorable Carla E. Craig, Chief United States Chief Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of New York, 271-C Cadman Plaza East, Courtroom 3529, Brooklyn, New York 11201 on **Wednesday, May 1, 2019, at 4:00 p.m.** or as soon thereafter as

counsel may be heard (the "**Hearing Date**").

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Motion shall be in writing, shall conform to the Bankruptcy Code, the Bankruptcy Rules and Local Rules of the Bankruptcy Court, shall set forth the name of the objecting party, the basis for the objection, the specific grounds therefor, and shall be filed with the Bankruptcy Court electronically in accordance with General Order 559 (with a courtesy copy delivered to the Chambers of the Hon. Carla E. Craig) and served in accordance with General Order 559, and served upon: (i) Archer & Greiner, P.C., proposed counsel to the Debtors, Attn: Allen G. Kadish, Esq., 630 Third Avenue, New York, New York 10017, and (ii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014, so as to actually be filed with the Bankruptcy Court and received by **Wednesday, April 24, 2019**.

PLEASE TAKE FURTHER NOTICE that if no objection is timely filed and received, the Bankruptcy Court may grant the relief sought in the Motion on the Hearing Date. Objecting parties are required to attend on the Hearing Date and failure to appear may result in relief being granted or denied upon default.

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*Proposed Counsel for Park Monroe Housing
Development Fund Corporation, Northeast
Brooklyn Partnership and 984-988 Greene
Avenue Housing Development Fund Corporation,
Debtors and Debtors-in-Possession*

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

PARK MONROE HOUSING DEVELOPMENT
FUND CORPORATION,

Case No. 19-40820 (CEC)

Debtor.

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NORTHEAST BROOKLYN PARTNERSHIP,

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In re:

Chapter 11

984-988 GREENE AVENUE HOUSING
DEVELOPMENT FUND CORPORATION,

Case No. 19-40823 (CEC)

Debtor.

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**MOTION OF
PARK MONROE HOUSING DEVELOPMENT FUND CORPORATION,
NORTHEAST BROOKLYN PARTNERSHIP, AND
984-988 GREENE AVENUE HOUSING DEVELOPMENT
FUND CORPORATION FOR INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING
ADEQUATE PROTECTION, AND (III) SCHEDULING A FINAL HEARING**

TO THE HONORABLE CARLA E. CRAIG,
CHIEF UNITED STATES BANKRUPTCY JUDGE:

PARK MONROE HOUSING DEVELOPMENT FUND CORPORATION (“**Park Monroe**”), NORTHEAST BROOKLYN PARTNERSHIP (“**NBP**”) and 984-988 GREENE AVENUE HOUSING DEVELOPMENT FUND CORPORATION (“**Greene Avenue**,” each a “**Debtor**” and collectively, the “**Debtors**”), debtors and debtors-in-possession, by their proposed counsel, Archer & Greiner, P.C., as and for their motion (the “**Motion**”) seeking an interim order, substantially in the form attached hereto as Exhibit A (the “**Interim Cash Collateral Order**”), and a final order (the “**Final Cash Collateral Order**,” and together with the Interim Cash Collateral Order, the “**Cash Collateral Orders**”) (a) authorizing the Debtors to use Cash Collateral (as defined herein) pursuant to sections 361 and 363 of Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”); (b) approving the form of adequate protection provided to the City of New York (the “**City**”), pursuant to sections 361 and 363 of the Bankruptcy Code; (c) scheduling a final hearing (the “**Final Hearing**”) on the Motion; and (d) granting related relief, respectfully represents as follows:

Introduction

1. The Debtors, which, together operate twelve residential buildings (the “**Buildings**”)

and 147 units in northeast Brooklyn, respectfully seek entry of Cash Collateral Orders pursuant to sections 361 and 363 of the Bankruptcy Code, authorizing them to receive rents and make expenditures relating to the operation and maintenance of the Buildings, and otherwise use cash collateral.

2. Each of the Debtors filed its Chapter 11 case to preserve and maximize its asset values for its creditors, and preserve its Buildings for the good of each Debtor, its creditors, its tenants, and the community by affording each Debtor the necessary time and statutory tools to reorganize its financial affairs. These Chapter 11 cases will provide an opportunity for each Debtor to restructure and otherwise assure its financial footing going forward. In order to accomplish their goals in Chapter 11, the Debtors need the use of cash collateral.

Jurisdiction and Venue

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334.
4. This matter is core within the meaning of 28 U.S.C. § 157(b)(2)(A), (M) and (O).
5. Venue is proper pursuant to 28 U.S.C. § 1408.
6. The statutory bases for the relief requested herein are sections 361 and 363 of the Bankruptcy Code, Rules 2002, 4001(b), (d) and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 4001-5 of the Local Bankruptcy Rules for the Eastern District of New York (the “**Local Rules**”).

Background

7. On February 11, 2019 (the “**Petition Date**”), each of the Debtors filed voluntary petitions for relief under Chapter 11 of title 11 of the Bankruptcy Code (the “**Bankruptcy Code**”).

8. The factual background regarding the Debtors, including their current and historical business operations and the events precipitating each Chapter 11 filing, is set forth in detail in the *Declaration of Jeffrey E. Dunston Pursuant to Local Bankruptcy Rule 1007-4*, filed in support of each of the Chapter 11 petitions herein (the “**First Day Declarations**”), incorporated herein by reference.

9. The Debtors continue in possession of their property and continue to operate and manage their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

10. No trustee or committee has been appointed in these cases.

Business Operations and Mortgages

11. Each Debtor operates low income, subsidized and/or market rate units at the Buildings as part of an overall effort directed at community development. Each Debtor is party to a property management agreement and a janitorial agreement under which Northeast Brooklyn Housing Development Corporation (“**NEB**”) provides property management and janitorial services to each Building.

12. The City is the purported secured creditor of each of the Debtors with a purported senior security interest in the Buildings. The Debtors have not yet fully assessed the validity, extent and priority of the asserted liens and reserve the right to challenge each in whole or in part. The City’s interests are not cross-collateralized as between Buildings or Debtors.

i. Park Monroe’s Business Operations and Mortgage

13. Park Monroe is a not-for-profit corporation which was organized under the laws of

New York on or about June 22, 2006. Park Monroe owns and operates five residential buildings (the “**Park Monroe Buildings**” and together with its revenue stream, the “**Park Monroe Pre-Petition Collateral**”), totaling 72 units that are approximately 75% leased:

Address	Units	Neighborhood
477 Saratoga Avenue a/k/a 1352-1354 East New York Avenue Brooklyn, New York 11212	10	Brownsville
1350 Park Place Brooklyn, New York 11213	19	Crown Heights
180 Grafton Street Brooklyn, New York 11212	16	Brownsville
257 Mother Gaston Boulevard Brooklyn, New York 11212	8	Brownsville
249-251 Mother Gaston Boulevard Brooklyn, New York 11212	19	Brownsville

14. On February 26, 2015, Park Monroe entered into the following mortgages with the City totaling corresponding debt as of October 31, 2017 of \$6,124,549.09 (the “**Park Monroe Mortgages**”), as asserted by the City:

- (i) \$576,941.51 recorded on March 26, 2015 at CRFN 2015000103207;
- (ii) \$434,225.68 recorded on March 26, 2015 at CRFN 2015000103204;
- (iii) \$410,958.90 recorded on March 26, 2015 at CRFN 2015000103210; and
- (iv) \$4,701,423.00 recorded on March 26, 2015 at CRFN 2015000103213.

15. Copies of the Park Monroe Mortgages and related loan documents are attached hereto as Exhibit B.

ii. NBP’s Business Operations and Mortgage

16. NBP is a for-profit limited liability partnership organized under the laws of New

York on or about August 29, 1991. NBP owns and operates five residential buildings and an additional lot (the “**NBP Buildings**” and together with its revenue stream, the “**NBP Pre-Petition Collateral**”), totaling 40 units that are over 90% leased:

Address	Units	Neighborhood
409 Kosciuszko Street Brooklyn, New York 11221	3	Bedford-Stuyvesant
403 Kosciuszko Street Brooklyn, New York 11221	13	Bedford-Stuyvesant
399 Kosciuszko Street Brooklyn, New York 11221	12	Bedford-Stuyvesant
397 Kosciuszko Street Brooklyn, New York 11221	Lot	Bedford-Stuyvesant
675 Halsey Street Brooklyn, New York 11233	6	Stuyvesant Heights
671 Halsey Street Brooklyn, New York 11233	6	Stuyvesant Heights

17. NBP entered into the following mortgages with the City totaling corresponding debt as of October 31, 2017 of \$2,848,843.00 (the “**NBP Mortgages**”), as asserted by the City:

- (i) Note dated June 27, 1991 for \$2,432,706.00 recorded on August 13, 1991 at Reel 2729 Page 1076. The note and mortgage were thereafter modified by Mortgage and Note Modification Agreement dated July 31, 2012 and recorded August 30, 2012 at CRFN 2012000244851; and
- (ii) Note dated July 31, 2012 for \$416,137.00 recorded on August 30, 2012 at CRFN 2012000344853.

18. Copies of the NBP Mortgages and related loan documents are attached hereto as Exhibit C.

iii. Greene Avenue’s Business Operations

19. Greene Avenue is a not-for-profit corporation organized under the laws of New York

on or about April 1, 1994. Greene Avenue owns and operates two residential buildings (the “**Greene Avenue Buildings**” and together with its revenue stream, the “**Greene Avenue Pre-Petition Collateral”), totaling 32 units that are over 85% leased:**

Address	Units	Neighborhood
984 Greene Avenue Brooklyn, New York 11221	16	Bedford-Stuyvesant
988 Greene Avenue Brooklyn, New York 11221	16	Bedford-Stuyvesant

20. Greene Avenue entered into the following mortgages with the City totaling corresponding debt as of October 31, 2017 of \$937,434.78 (the “**Greene Avenue Mortgages**”), as asserted by the City:

- (i) Note dated June 2, 2005 for \$966,271.00 and mortgage recorded on July 14, 2005 at CRFN 2005000394792; which was modified pursuant to a Mortgage and Note Modification Agreement dated April 1, 2009 entered into with the City for \$937,434.78 and recorded on July 20, 2009 at CRFN 20090000221858; and
- (ii) Enforcement Note in the amount of \$920,000.00 dated June 23, 1998 and a mortgage in the same amount recorded on November 10, 1998 at Reel 4318 Page 763, which the Debtor contends has not come due.

21. Copies of the Greene Avenue Mortgages and related loan documents are attached hereto as Exhibit D.

Relief Requested

22. The Debtors respectfully seek authority to use Cash Collateral during the pendency of their Chapter 11 cases.

23. All cash in the Debtors’ possession or control as of the Petition Date and all cash

coming into the Debtors' possession after the Petition Date constituting proceeds of the Park Monroe Pre-Petition Collateral, NBP Pre-Petition Collateral or the Greene Avenue Pre-Petition Collateral (together, the "**Pre-Petition Collateral**") may be cash collateral of the City within the meaning of section 363(a) of the Bankruptcy Code (the "**Cash Collateral**"). The Debtors' use of Cash Collateral has not been negotiated with the City prior to making this Motion. Accordingly, the Debtors respectfully request that the Court (i) enter the Interim Cash Collateral Order in the form attached hereto as Exhibit A authorizing the interim use of Cash Collateral on the terms and conditions set forth in the Interim Cash Collateral Order, providing adequate protection, and scheduling a Final Hearing; (ii) at the Final Hearing, enter a final order authorizing the continued use of Cash Collateral on the terms and conditions set forth in a Final Cash Collateral Order to be proposed by the Debtors; and (iii) grant such other and further relief as is just and proper. Adequate protection is provided by using monthly Building rent receipts to pay monthly Building expenses. Any liens and security interests in Pre-Petition Collateral should be continued to the same extent post-petition, and post-petition rent receipts should be deemed replacement collateral identified as Cash Collateral. Nothing new above and beyond continuing the pre-petition rights of the City is proposed.

Summary of Proposed Interim Cash Collateral Order

A. Summary of Terms

24. The proposed Interim Cash Collateral Order provides, among other things, that the Debtors shall be entitled to use the Cash Collateral to pay their ordinary and necessary business and operating expenses in accordance with and subject to the terms and conditions set forth therein.

Generally, the proposed use of Cash Collateral shall be consistent with and for the purposes described in the 13-week cash flow projection reports attached to the Interim Cash Collateral Order as Exhibit 1, prepared by the Debtors.¹ The Debtors seek authority to use the Cash Collateral for, among other things: (a) operation of the Buildings including working capital requirements; (b) general corporate purposes; and (c) the costs and expenses of administering the Chapter 11 case (including payment of the allowed fees and expenses of professionals retained by the Debtor's estate and United States Trustee fees).

25. Other key provisions of the proposed Interim Cash Collateral Order are set forth below. Without access to Cash Collateral, each Debtor's ability to operate and ultimately restructure as a going concern will be jeopardized to the detriment of each Debtor's stakeholders. Use of the Cash Collateral will protect the Secured Creditors' interests in the Building.

B. Adequate Protection

26. As adequate protection for any diminution in the value of the Pre-Petition Collateral resulting from (i) the use of the Cash Collateral pursuant to section 363(e) of the Bankruptcy Code, (ii) the use, sale or lease of the Pre-Petition Collateral (other than the Cash Collateral) pursuant to section 363(c) of the Bankruptcy Code, and (iii) the imposition of the automatic stay pursuant section 362(a) of the Bankruptcy Code, the Interim Cash Collateral Order provides that the City shall be granted (upon Court approval and effective as of the Petition Date and without the necessity of the execution by the Debtors of any other instruments including a security agreement or pledge agreement), pursuant to sections 361 and 363(e) of the Bankruptcy Code, to the same extent, priority

¹ The 13-week cash flow projections are in draft and estimates, substantial compliance with which is proposed.

and validity (if any) as the pre-petition liens existing with respect to the Pre-Petition Collateral as of the Petition Date, valid and perfected, replacement security interests in, and liens on (“**Replacement Liens**”), the same collateral, and, to the extent such includes rent receipts, the post-petition rent receipts (the “**Post-Petition Collateral**”), subject only to the Carve-Out (as defined below); the Post-Petition Collateral specifically does not include the proceeds of any claims or causes of action of the Debtors or their estates that may later be commenced under Chapter 5 of the Bankruptcy Code. No cross-collateralization is proposed.

27. Each of the Buildings is insured by virtue of a policy of insurance covering the Buildings in excess of \$30,000,000 in the aggregate. The Debtors also carry general liability coverage. Both are paid on a current basis and the Debtors intend to continue to keep them current during the course of these Chapter 11 cases.

28. The Debtors each contend that they hold significant equity in their respective buildings.

C. Carve-Out

29. Pursuant to the Interim Cash Collateral Order, the pre-petition liens and any Replacement Liens are proposed to be subject to a carve-out (the “**Carve-Out**”) for (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest, if any, pursuant to section 3717 of title 31 of the United States Code, (ii) the costs and administrative expenses of each of the Debtors for its respective case, (iii) the costs and administrative expenses that are permitted to

be incurred by any Chapter 7 trustee pursuant to an order of this Court following any conversion of a Chapter 11 case pursuant to section 1112 of the Bankruptcy Code, and (iv) the payment of allowed professional fees and disbursements (the “**Professional Fees and Disbursements**”) incurred by the professionals retained by the Debtors or on behalf of each of the Debtors’ estates in each case.

30. Courts have regularly held that carve-outs for professional fees are reasonable and necessary to ensure that a debtor may retain assistance from counsel of its choice. *See, e.g., In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990). In addition, the Carve-Out ensures that Cash Collateral may be used for the payment of United States Trustee fees.

D. Extraordinary Provisions

31. The Debtors believe that the proposed Interim Cash Collateral Order does not include any extraordinary provisions.

32. The Interim Cash Collateral Order reserves all rights of the Debtors, any committee appointed in the case and any creditor to contest the validity and extent of the purported Secured Creditors’ liens, but allows use of Cash Collateral to protect the purported secured creditor.

Basis for Relief

33. Pursuant to court order, a debtor-in-possession may be authorized to use cash collateral in the ordinary course of its business operations under sections 363(c) and 1107 of the Bankruptcy Code. The court may condition such use, pursuant to section of 363(e) of the Bankruptcy Code, as is necessary to provide adequate protection of any interest held therein by any entity other than the debtor-in-possession.

34. Courts recognize that use of cash collateral is appropriate where necessary to preserve

a debtor's ability to reorganize and thus maximize the value of an estate for all interested parties. *See In re Realty Southwest Assoc.*, 140 B.R. 360, 366 (Bankr. S.D.N.Y. 1992); H.R. Rep. No. 595, 95th Cong., 1st Sess. 344 (1977). Bankruptcy Rule 4001(b) governs authorization for utilizing cash collateral and provides that the court may permit the debtor-in-possession to use cash collateral prior to a final hearing to the extent necessary to avoid immediate and irreparable harm. After a final hearing, the court may grant the authority to use cash collateral on a permanent basis and other permanent relief as requested herein.

35. Courts determine the means for providing adequate protection on a case-by-case basis. *See In re YL West 87th Holdings I LLC*, 423 B.R. 421, 441-43 (Bankr. S.D.N.Y. 2010); *In re Mosello*, 195 B.R. 277, 289 (Bankr. S.D.N.Y. 1996); *see also In re O'Connor*, 808 F.2d 1393, 1396 (10th Cir. 1987); *In re Martin*, 761 F.2d 472 (8th Cir. 1985). Adequate protection is provided to protect a secured creditor from diminution in the value of its interest in the particular collateral during the period of use. *See YL*, 423 B.R. at 442; *In re Hubbard Power & Light*, 202 B.R. 680 (Bankr. E.D.N.Y. 1996); *see also In re 495 Central Park Avenue Corp.*, 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992). The concept of adequate protection is designed to shield a secured creditor from diminution in the value of its interest in collateral during the period of a debtor's use. *In re WorldCom, Inc.*, 304 B.R. 611, 618-19 (Bankr. S.D.N.Y. 2004) ("The legislative history for section 361 of the Bankruptcy Code, which sets forth how adequate protection may be provided under section 363, makes clear that the purpose is to ensure that the secured creditor receives the value for which the creditor bargained for prior to the debtor's bankruptcy"). "However, neither the legislative history nor the Bankruptcy Code requires the Court to protect a creditor beyond what was

bargained for by the parties.” *Id.* at 619; *see In re Beker Indus. Corp.*, 58 B.R. 725, 741 (Bankr. S.D.N.Y. 1986) (“Adequate protection, not absolute protection, is the statutory standard”).

36. Pursuant to section 363(c) of the Bankruptcy Code, the Debtors request authorization to use Cash Collateral during the period of each of their Chapter 11 cases. In exchange for the use of Cash Collateral, the Debtors propose to provide the City adequate protection in the form of replacement liens on their respective Post-Petition Collateral to the extent of their respective pre-petition interests therein.

37. The use of the Cash Collateral is essential to each Debtor’s operations and rehabilitation efforts. The Debtors require the ability to pay expenses to operate, and preserve the going concern value of, the Buildings. Authorization to utilize Cash Collateral will provide the Debtors with the liquidity necessary to operate their businesses and pay the various expenses associated therewith as identified in the 13-week cash flow projections attached hereto. Without authorization to utilize the Cash Collateral, the business operations of the Debtors will be severely interrupted, if not completely terminated, and serious and irreparable harm to the Debtors and their estates and their tenants would occur. *See In re Salem Plaza Assocs.*, 135 B.R. 753, 758 (Bankr. S.D.N.Y. 1992) (debtor’s use of cash collateral to pay operating expenses, thereby “preserv[ing] the base that generates the income stream,” provided adequate protection to the secured creditor). Continued operation of the businesses of the Debtors are far more likely to maintain, or even increase, the value of the underlying collateral as compared with the catastrophic loss of value that could result from denial of this Motion.

38. To avoid immediate and irreparable harm, pending the Final Hearing, the Debtors

respectfully request that the Court allow use of the Cash Collateral pursuant to the terms and conditions of the Interim Cash Collateral Order, to make payments of necessary ordinary-course expenses, substantially consistent with the 13-week cash flow projections as described above.

39. At the Final Hearing, the Debtors will seek final authority from the Court to use Cash Collateral through the pendency of this case for the payment of ordinary course expenses in accordance with the 13-week cash flow projections as described above and any other longer-term projections corresponding to operations in the future.

40. Based on the foregoing, it is respectfully submitted that this Court should authorize the Debtors' use of Cash Collateral.

Interim Relief and Notice of Final Hearing

41. Bankruptcy Rule 4001(b) provides that a final hearing on a motion to use cash collateral pursuant to section 363 may not be commenced earlier than 14 days after the service of such motion. However, the Court is authorized to conduct a preliminary expedited hearing on the Motion and authorize the Debtor's proposed use of cash collateral to the extent necessary to avoid immediate and irreparable harm to a debtor's estate. *See* Fed. R. Bankr. P. 4001(b)(2).

42. The Debtors have immediate post-petition needs to use Cash Collateral. The Debtors cannot maintain the value of their businesses and estates during the pendency of their Chapter 11 cases without access to Cash Collateral. The Debtors will use Cash Collateral to, among other things, make operating and maintenance payments pursuant to pre-petition service and other agreements, and satisfy other ordinary and usual operating needs during the Chapter 11 cases. The Debtors will be unable to operate their businesses as a going concern or finance the costs of

administering the Chapter 11 estates without the ability to use Cash Collateral.

43. The Debtors, therefore, seek immediate authority to use Cash Collateral on an interim basis as set forth in this Motion, and to prevent immediate and irreparable harm to each of their estates pending the Final Hearing pursuant to Bankruptcy Rule 4001(b). The Debtors respectfully submit that they have satisfied the requirements of Bankruptcy Rule 4001 to support an expedited preliminary hearing and immediate Cash Collateral availability on an interim basis.

Request to Waive Bankruptcy Rule 6004(a) and 6004(h)

44. To implement the foregoing successfully, the Debtors request that the Court find and order that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

No Prior Request

45. No prior request for the relief sought in this Motion has been made to this or any other court.

Conclusion

46. For the reasons set forth above, this Motion should be granted and the Debtors should be authorized to use Cash Collateral during the pendency of each of their cases.

WHEREFORE the Debtors respectfully request that the Court enter an interim and a final order granting the use of Cash Collateral as requested herein, and such other and further relief as may be just and proper.

Dated: New York, New York
March 12, 2019

ARCHER & GREINER, P.C.

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