[Amended and Restated Cooperative Agreement - San Francisco Community Investment Fund - New Market Tax Credit Program - Not to Exceed $350,000 Annually]

Resolution approving an Amended and Restated Cooperative Agreement between the City and County of San Francisco and the San Francisco Community Investment Fund (SFCIF) in support of the San Francisco Community Investment Fund’s New Market Tax Credit (NMTC) program, including the provision of a loan in an amount not to exceed $350,000 annually, consisting of City staff time and approved annually by the City Administrator, for an initial term of three years commencing on July 1, 2022, through June 30, 2025, and providing for extensions of the term on an annual basis thereafter for so long as the SFCIF continues the NMTC Program, but in no event later than June 30, 2032.

WHEREAS, In February 2010, the former Redevelopment Agency of the City and County of San Francisco (the “Redevelopment Agency”) formed a new corporate entity called the San Francisco Community Investment Fund (the “SFCIF”), a California nonprofit public benefit corporation, to increase investment in and address funding gaps for redevelopment activities and projects; the SFCIF is a qualified community development entity recognized by the Community Development Financial Institutions Fund of the United States Treasury (the “CDFI”) and is eligible to apply for New Markets Tax Credit (“NMTC”) allocations from the CDFI; and

WHEREAS, Under Assembly Bill Nos. IX 26 and 1484 (the “Dissolution Law”), the Redevelopment Agency was dissolved and under Board of Supervisors Ordinance No. 11-12, the Board, among other matters, gave the Director of Administrative Services the authority to manage all Redevelopment Agency assets and functions previously performed by the Redevelopment Agency, including the SFCIF’s program; since the dissolution of the
Redevelopment Agency, City staff including, but not limited to, staff from the City Administrator’s Office; Office of Public Finance, Controller’s Office; and the Office of Economic and Workforce Development have continued to advance the SFCIF’s NMTC program; and

WHEREAS, The NMTC program was enacted as part of the Community Renewal Tax Relief Act of 2000 and is a federal tax initiative that promotes economic development in low-income communities; the CDFI Fund and the Internal Revenue Service administer the NMTC program, which program permits tax credit investors to receive a credit against federal income taxes for making qualified equity investments in designated community development entities; and

WHEREAS, The CDFI has awarded SFCIF $240 million in NMTC allocations with the 2010, 2011, 2015-16, 2017, 2018, and 2020 rounds of NMTC allocation applications and SFCIF has completed 12 NMTC transaction between June 2011 and December 2020, deploying a total of $163.6 million of NMTC allocation; and

WHEREAS, The SFCIF is governed by a five-member Board of Directors, currently four of which are City officials and one of which is a non-City employee; in addition to the Board of Directors, the SFCIF has a seven-member Advisory Board; a majority of members of the Advisory Board are representative of target low-income communities in which the SFCIF expects to invest; and

WHEREAS, Investments in eligible projects by the SFCIF help to eliminate blight by bringing economic development to communities, reprogramming underutilized properties and helping further the City’s revitalization efforts; pursuant to its Bylaws, the SFCIF may make investments in qualified low-income communities in the City and County of San Francisco (the “City”) as well as making investments in projects that serve a Target Population that includes
qualified low-income people; under the NMTC program, low-income communities are those that contain low-income census tracks based upon data from the latest U.S. census; and

WHEREAS, The Economic and Social Impact Policy of the SFCIF, a copy of which is on file with the Clerk of the Board in File No. 130427, details the five focus areas and related objectives of the SFCIF: 1) Economic Development; 2) Community and Social Development; 3) Job Creation and Wealth Creation; 4) Investment Diversification and Partnership Development; and 5) Environmental Sustainability; and

WHEREAS, The relationship between the SFCIF and the City is defined in a Cooperative Agreement which the SFCIF and the City entered into on April 11, 2013, pursuant to Board Of Supervisor’s Resolution No. 190-13; the Agreement authorizes the use of City resources including staff and equipment to achieve mutually agreed upon goals; the main objective of the Cooperative Agreement is to provide the SFCIF with in-kind space and equipment, and staff, to assist with the day-to-day management of operations of the community development entity and as part of the NMTC program such subsidiary community development entities; and raising equity for investment in such subsidiary community development entities; and

WHEREAS, The City and SFCIF now desire to amend and restate the Cooperative Agreement in order to allow the City to continue to provide staff time and resources as needed to aid the SFCIF in fulfilling its mission to apply for new markets tax credits and to make qualified low-income community investments in the City and County of San Francisco or other activities which qualify for New Markets Tax Credits, in accordance with the terms in the Amend and Restated Cooperative Agreement (the “Agreement”); and

WHEREAS, The Agreement provides that the City will loan to SFCIF an amount which will consist of City staff time to assist the SFCIF in performing the NMTC Program, which final amount will be determined annually by the SFCIF Board of Directors, provided that such
amount will not to exceed $350,000 annually, and will be approved by the City Administrator
on the behalf of the City; and

WHEREAS, The SFCIF shall repay the City for City staff time annually, or as funds
become available from continued operations; and

WHEREAS, The Agreement shall commence on July 1, 2022, and shall end on June
30, 2025, and the City and SFCIF may agree to extend the term on an annual basis thereafter
for so long as the SFCIF continues the NMTC Program, but in no event later than June 30,
2032; now, therefore, be it

RESOLVED, The Board of Supervisors approves the Amended and Restated
Cooperative Agreement between the City and County of San Francisco and the San
Francisco Community Investment Fund in support of the San Francisco Community
Investment Fund’s New Market Tax Credit program including the provision of a loan in an
amount not to exceed $350,000 annually, consisting of City staff time, and approved annually
by the City Administrator, for an initial term of three years commencing on July 1, 2022,
through June 30, 2025, and providing for extensions of the term on an annual basis thereafter
for so long as the SFCIF continues the NMTC Program, but in no event later than June 30,
2032; and, be it

FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
executed by all parties, the San Francisco Community Investment Fund shall provide the final
contract to the Clerk of the Board for inclusion into the official file.
Resolution approving an Amended and Restated Cooperative Agreement between the City and County of San Francisco and the San Francisco Community Investment Fund (SFCIF) in support of the San Francisco Community Investment Fund’s New Market Tax Credit (NMTC) program, including the provision of a loan in an amount not to exceed $350,000 annually, consisting of City staff time and approved annually by the City Administrator, for an initial term of three years commencing on July 1, 2022, through June 30, 2025, and providing for extensions of the term on an annual basis thereafter for so long as the SFCIF continues the NMTC Program, but in no event later than June 30, 2032.

April 06, 2022 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 06, 2022 Budget and Finance Committee - RECOMMENDED AS AMENDED

April 12, 2022 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai and Walton
Excused: 1 - Stefani

I hereby certify that the foregoing Resolution was ADOPTED on 4/12/2022 by the Board of Supervisors of the City and County of San Francisco.

Angelica Calvillo
Clerk of the Board

London N. Breed
Mayor