

San Francisco Community Investment Fund

BUDGET & FINANCE COMMITTEE

Resolution for Consideration: Resolution Approving an Amended and Restated Cooperative Agreement Between the City and County of San Francisco and the San Francisco Community Investment Fund in Support of the New Market Tax Credit Program



New Market Tax Credit (NMTC) Program



The NMTC program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities

- Created in 2000, NMTCs provide a federal tax credit of 39% over 7 years
 - Can support a wide range of businesses including manufacturing, food, retail, housing, health, technology, energy, education, and childcare
- Administered by the Community Development Financial Institutions (CDFI) Fund within the U.S. Treasury
- Allocations are made through a competitive process to Community Development Entities (CDEs), such as the San Francisco Community Investment Fund (SFCIF)
 - CDEs serve as a financial intermediary through which private capital flows from an investor to a qualified business in a low-income community
- To date, the CDFI Fund has completed 17 allocation rounds and has made 1,354 awards totaling \$66 billion

San Francisco Community Investment Fund (SFCIF)

- Formed in 2010 by the former Redevelopment Agency as a separate non-profit
- Transferred to the City in 2013 pursuant to Resolution No.190-13 and a Cooperative Agreement approved by the Board of Supervisors
- 5-member Governing Board currently includes four City staff and one non-City member
- 7-member Advisory Board
 - Community members evaluate proposed community benefits to ensure projects serve disadvantaged communities
- Current City staffing includes Controller's Office of Public Finance, City Attorney's Office, and Office of Economic and Workforce Development

SFCIF Projects

- \$240.0 million of NMTC allocation received to date
 - \$163.6 million deployed
 - \$47.7 million committed
 - \$28.7 million uncommitted

Project Name	SFCIF NMTC Allocation	Project Description
College Track	8,700,000	Rehabilitation of an education facility
SFJazz	15,000,000	Construction of a new cultural facility
Boys and Girls Club of SF	15,000,000	Construction of a new youth facility
Wholesale Produce Market	12,800,000	Construction of a new manufacturing facility
American Conservatory Theater	15,000,000	Rehabilitation of a cultural facility
Renior Hotel	13,500,000	Rehabilitation of a historic property, the Renoir Hotel
PlaceMade	23,400,000	Construction of a new manufacturing facility
Geneva Car Barn	12,100,000	Rehabilitation of a historic property to provide educational space focused in the arts
Meals on Wheels of SF	18,000,000	Construction of a new food distribution facility
CAST - 447 Minna Street	8,007,000	Rehabilitation of the Dempster Building for CAST & arts and cultural non-profit tenants
Mission Neighborhood Centers	10,000,000	Rehabilitation of an old police station into an Early Learning Center
Community Music Center of SF	12,050,000	Working capital to support program expenses and expansion
Total	163,557,000	

Denotes projects that have unwound/are no longer active

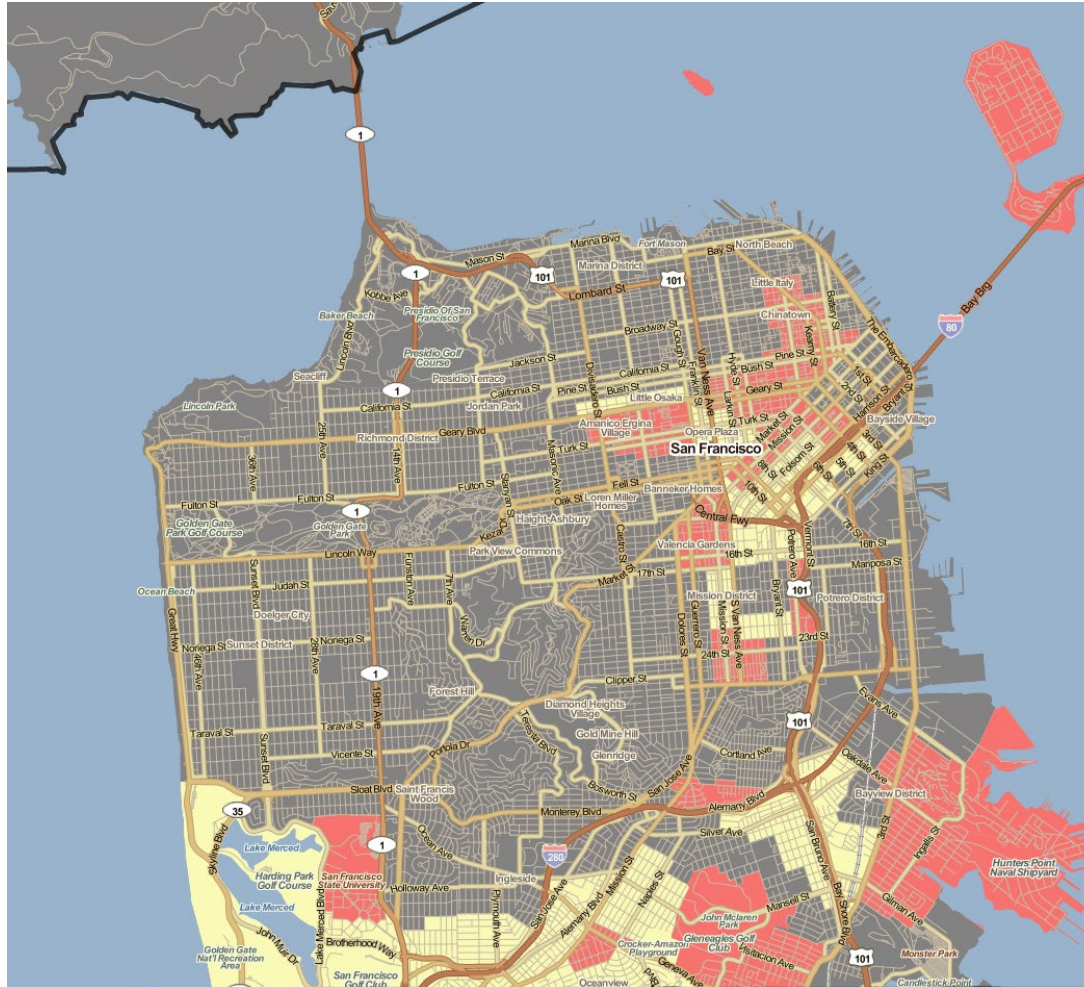
Cooperative Agreement

- Original Cooperative Agreement between the City and SFCIF (April 2013)
 - Authorized the use of City staff time to assist with the day-to-day management of operations for the SFCIF in an amount not to exceed \$300,000
 - Through June 30, 2016, with the option to extend until June 30, 2023
- Proposed Amended and Restated Cooperative Agreement
 - Authorize the use of City staff time to assist with the day-to-day management of operations for the SFCIF in an amount not to exceed \$350,000 annually
 - Through June 30, 2025, with the option to extend until June 30, 2032

Appendix



NMTC Eligibility Map of SF



Legend:

- Insufficient Data
- Severe Distress or Non-Metropolitan
- Eligible
- Not Eligible

Source: CDFI Fund and PolicyMap

Source: Novogradac NMTC Mapping Tool