

File No. 220208

Committee Item No. 5

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date April 6, 2022

Board of Supervisors Meeting Date \_\_\_\_\_

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Completed by: Brent Jalipa Date March 30, 2022

Completed by: Brent Jalipa Date \_\_\_\_\_

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

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

12  
13 WHEREAS, In February 2010, the former Redevelopment Agency of the City and  
14 County of San Francisco (the "Redevelopment Agency") formed a new corporate entity called  
15 the San Francisco Community Investment Fund (the "SFCIF"), a California nonprofit public  
16 benefit corporation, to increase investment in and address funding gaps for redevelopment  
17 activities and projects; the SFCIF is a qualified community development entity recognized by  
18 the Community Development Financial Institutions Fund of the United States Treasury (the  
19 "CDFI") and is eligible to apply for New Markets Tax Credit ("NMTC") allocations from the  
20 CDFI; and

21 WHEREAS, Under Assembly Bill Nos. IX 26 and 1484 (the "Dissolution Law"), the  
22 Redevelopment Agency was dissolved and under Board of Supervisors Ordinance No. 11-12,  
23 the Board, among other matters, gave the Director of Administrative Services the authority to  
24 manage all Redevelopment Agency assets and functions previously performed by the  
25 Redevelopment Agency, including the SFCIF's program; since the dissolution of the

1 Redevelopment Agency, City staff including, but not limited to, staff from the City  
2 Administrator’s Office; Office of Public Finance, Controller’s Office; and the Office of  
3 Economic and Workforce Development have continued to advance the SFCIF’s NMTC  
4 program; and

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

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

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

20 WHEREAS, Investments in eligible projects by the SFCIF help to eliminate blight by  
21 bringing economic development to communities, reprogramming underutilized properties and  
22 helping further the City’s revitalization efforts; pursuant to its Bylaws, the SFCIF may make  
23 investments in qualified low-income communities in the City and County of San Francisco (the  
24 “City”) as well as making investments in projects that serve a Target Population that includes  
25

1 qualified low-income people; under the NMTC program, low-income communities are those  
2 that contain low-income census tracts based upon data from the latest U.S. census; and

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

8 WHEREAS, The relationship between the SFCIF and the City is defined in a  
9 Cooperative Agreement which the SFCIF and the City entered into on April 13, 2011,  
10 pursuant to Board Of Supervisor's Resolution No. 190-13; the Agreement authorizes the use  
11 of City resources including staff and equipment to achieve mutually agreed upon goals; the  
12 main objective of the Cooperative Agreement is to provide the SFCIF with in-kind space and  
13 equipment, and staff, to assist with the day-to-day management of operations of the  
14 community development entity and as part of the NMTC program such subsidiary community  
15 development entities; and raising equity for investment in such subsidiary community  
16 development entities; and

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

23 WHEREAS, The Agreement provides that the City will loan to SFCIF an amount which  
24 will consist of City staff time to assist the SFCIF in performing the NMTC Program, which final  
25 amount will be determined annually by the SFCIF Board of Directors, provided that such

1 amount will not to exceed \$350,000 annually, and will be approved by the City Administrator  
2 on the behalf of the City; and

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

5 WHEREAS, The Agreement shall commence on July 1, 2022, and shall end on June  
6 30, 2025, and the City and SFCIF may agree to extend the term on an annual basis thereafter  
7 for so long as the SFCIF continues the NMTC Program, but in no event later than June 30,  
8 2032; now, therefore, be it

9 RESOLVED, The Board of Supervisors approves the Amended and Restated  
10 Cooperative Agreement between the City and County of San Francisco and the San  
11 Francisco Community Investment Fund in support of the San Francisco Community  
12 Investment Fund's New Market Tax Credit program including the provision of a loan in an  
13 amount not to exceed \$350,000 annually, consisting of City staff time, and approved annually  
14 by the City Administrator, for an initial term of three years commencing on July 1, 2022,  
15 through June 30, 2025, and providing for extensions of the term on an annual basis thereafter  
16 for so long as the SFCIF continues the NMTC Program, but in no event later than June 30,  
17 2032; and, be it

18 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully  
19 executed by all parties, the San Francisco Community Investment Fund shall provide the final  
20 contract to the Clerk of the Board for inclusion into the official file.

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24 n:\spec\as2022\1200526\01581189.docx  
25

## **The San Francisco Community Investment Fund**

In February 2010, the 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 market tax credits allocations from the CDFI.

The New Markets Tax Credit (“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 Community Development Financial Institutions Fund and the Internal Revenue Service administer the NMTC program. The program permits tax credit investors to receive a credit against federal income taxes for making qualified equity investments in designated community development entities.

The CDFI has awarded SFCIF \$240.0 million in NMTC allocations with the 2010, 2011, 2015-16, 2017, 2018, and 2020 rounds of NMTC allocation applications. Projects funded to date are listed in Exhibit A.

Under Assembly Bills 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. 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 NMTC program.

### *Structure*

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 six-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.

The relationship between the SFCIF and the City is defined in a Cooperative Agreement (the “Agreement”). The Agreement authorizes the use of City resources including staff and equipment to achieve mutually agreed upon goals. The main objective of the 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.

### *Cooperative Agreement*

On April 11, 2013 SFCIF entered into a Cooperative Agreement with the City 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.

### *Economic and Social Impact Policy*

The SFCIF's program goals encompass the following five focus areas: (1) Economic Development Impact and Support; (2) Community and Social Development Impact and Support; (3) Sustainable Job Creation and Retention and Wealth Creation; (4) Investment Diversification and Partnerships Development; and (5) Environmentally Sustainable Outcomes.

The Economic and Social Impact Policies (as attached to this document) incorporating the SFCIF's program goals, were created to facilitate rigorous, systematic, transparent prioritization of proposed projects and investments; support economic and community development goals Citywide; and establish a framework for evaluation and monitoring of investments to ensure ongoing progress towards the Policies. In addition, the Policies complement the Allocation Agreements with the Community Development Financial Institutions Fund and federal law, rules, and regulations to facilitate community accountability of SFCIF investments.

## AMENDED AND RESTATED COOPERATIVE AGREEMENT

This Amended and Restated Cooperative Agreement (the “**Agreement**”), dated for reference purposes as of \_\_\_\_\_, is made by and between the City and County of San Francisco, a municipal corporation, acting by and through the City Administrator (the “**City**”), and the San Francisco Community Investment Fund, a California nonprofit public benefit corporation (“**SFCIF**”). This Agreement amends and restates the prior Cooperative Agreement between the City and the SFCIF dated April 11, 2013.

### RECITALS

**A.** The Redevelopment Agency of the City and County of San Francisco (the “**Agency**”), in partnership with the City’s Office of Economic and Workforce Development (“**OEWD**”), formed a new corporate entity to apply for a designation as a Community Development Entity (“**CDE**”) for the purpose of applying for a New Markets Tax Credits (“**NMTC**”) allocation from the United States Treasury.

**B.** On February 2, 2010, the Agency Commission by Resolution No. 10-2010, authorized the Agency’s Executive Director to incorporate the new entity called the San Francisco Community Investment Fund, a California nonprofit public benefit corporation (“**SFCIF**”). The Agency Executive Director caused the SFCIF’s Articles of Incorporation to be filed and the SFCIF was officially created on February 18, 2010.

**C.** On February 25, 2010, pursuant to California Corporations Code Section 5134, the Agency’s Executive Director, as the sole incorporator of the SFCIF, elected the initial board of directors, consisting of Agency and City employees and officers. On March 18, 2010, at a duly noticed and agendaized meeting, the SFCIF Board of Directors adopted the SFCIF Bylaws.

**D.** Since its inception, the SFCIF has applied for and received allocations of New Markets Tax Credits. The SFCIF has acted, and will continue to act, as a bridge between the capital markets and low-income communities by taking the investment capital it receives and lending it to qualified projects. The SFCIF maintains accountability to residents of low-income communities through community representation on its Advisory Board.

**E.** Pursuant to its Bylaws, the SFCIF may make investments in qualified low-income communities in the City and County of San Francisco (the “**Service Area**”). Under the NMTC program, low-income communities are those that contain low-income census tracts based upon data from the latest U.S. census.



**F.** Effective February 1, 2012, the Agency was dissolved under State law (Assembly Bill No. 1X26, Chapter 5, Statutes of 2011-12, First Extraordinary Session, as modified by Assembly Bill No. 1484, Chapter 26, Statutes of 2011-12, Regular Session). Under Board of Supervisor Resolution No. 11-12, adopted January 24, 2012, the Board of Supervisors accepted all of the Agency's housing and non-housing assets, and gave the Director of Administrative Services the right and power to manage all Agency assets and to exercise all functions that the Agency previously performed with respect to those assets. Under Board of Supervisor Ordinance No. 215-12, adopted on October 2, 2012 after the modifications made in AB 1484, the Board of Supervisors recognized the new successor agency to the Agency (the "**Successor Agency**") as a separate legal entity, delegated to the Successor Agency the authority to implement the surviving redevelopment projects, and confirmed the transfer of all of the housing assets to the City under the jurisdiction of the Mayor's Office of Housing. The Board also ratified all prior acts of the staffs of the Successor Agency, the Department of Administrative Services, the Controller and other City employees with respect to the surviving redevelopment projects and other enforceable obligations.

**G.** Investments in Eligible projects by the SFCIF help to eliminate blight by bringing economic development to the community, reprogramming underutilized properties and helping further the City's revitalization efforts. The City recognizes the importance of the work performed by the SFCIF and the Agency under the NMTC Program, and continued that work following the dissolution of the Agency.

**H.** The City and SFCIF entered into a Cooperative Agreement, dated April 11, 2013 (the "Original Agreement"), which authorized the use of City resources including staff and equipment to achieve mutually agreed upon goals. The main objective of the Original Agreement was to provide the SFCIF with in-kind space and equipment, and staff, to assist with the day-to-day management of operations of for the SFCIF. The City and SFCIF now desire to amend and restate the Original 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 set forth below.

## **AGREEMENT**

Now, therefore, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the City and the SFCIF hereby agree as follows:

1. **Administrative Policies and Procedures.** The SFCIF shall follow all applicable federal, state and local laws including, but not limited to, the following:

(a) Section 45D of the U.S. Internal Revenue Code, the Treasure Regulations and Guidance thereunder and any other law, regulation to rule applicable to participation in the New

Markets Tax Credit Program, 26 USC 45D, et seq.;

- (b) The Ralph M. Brown Act (public meeting law), Government Code Section 94950 et seq.;
- (c) The Public Records Act, Government Code Section 6250, et. seq.;
- (d) The City's Sunshine Ordinance (Admin. Code Chapter 67);
- (e) The California Environmental Quality Act and implementing regulations; and
- (f) The National Environmental Protection Act and implementing regulations, as applicable.

2. **City Staff Time.**

(a) The City has agreed to lend to SFCIF and the SFCIF has agreed to borrow from the City an amount, which will consist of City staff time to assist the SFCIF in performing the NMTC Program ("**City Staff Time**"), in a final amount to be determined annually by the SFCIF Board of Directors, not to exceed Three Hundred and Fifty Thousand Dollars (\$350,000) annually and approved by the City Administrator on the behalf of the City, (the "City Loan").

(b) The City Staff Time is loaned by the City to the SFCIF to aid the SFCIF in fulfilling its mission 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. The City Staff Time will be billed on a time and materials basis, at the City's actual rates (including overhead and administrative expenses). The City Staff Time shall be billed at a rate of 165% of each City employees' salary. The City staff will be performing services for the SFCIF in furtherance of its operations including, but not limited to: project underwriting, administrative services, NMTC compliance and portfolio management. Nothing in this Agreement, however, shall be construed as waiving the City's duty of loyalty for those City officials and employees performing these services.

(c) City employees and SFCIF officers, directors and advisors may utilize City office space, equipment, vehicles and other City property in their provision of services to the SFCIF. The use of such equipment and the providing of "overhead" to the SFCIF shall be treated as an in-kind contribution of the City to the SFCIF (the "**City Contribution**"). The City shall provide to the SFCIF, facilities and organizational resources (such as equipment, vehicles and support services) necessary for the operations of the SFCIF as part of the City Contribution.

(d) City employees and SFCIF Board members and advisory board members shall receive no additional compensation for their work as staff, officers or directors for the SFCIF. The City acknowledges and agrees that the City staff providing services to the SFCIF will be compensated as provided in the City's salary resolutions.

(e) The management, direction, and supervision of City staff, and all matters incident to the performance of City's staff and contributions, shall remain in the sole discretion of the applicable City department head.

(f) The SFCIF shall repay the City for City Staff Time annually, or as funds become available from continued operations. All payments for City Staff Time shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of

public and private debts. All payments shall be made payable to the City at One South Van Ness Avenue, 5th Floor, San Francisco, California 94103 or to such other place as the City may from time to time designate in writing.

3. **Term of Agreement.** This Agreement shall commence on July 1, 2022 and shall end on June 30, 2025, provided (1) either party may terminate this Agreement on sixty (60) days' notice as set forth in Section 4 below, and (2) the parties 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.

4. **Termination.** Either party may terminate this Agreement upon sixty (60) days written notice to the other party.

(a) For purposes of this Section 4, any notice by the SFCIF terminating this Agreement must first be approved by the SFCIF Board of Directors and shall be delivered to the City Administrator.'

(b) The following obligations of SFCIF shall survive the expiration or termination of this Agreement: (i) the duty to repay the City Loan (which, upon any termination, shall become immediately due and payable); and (ii) the duty to indemnify, reimburse, defend and hold harmless the Indemnified Parties (defined below) in accordance with Section 5.

(c) Notwithstanding anything contained herein to the contrary, in the event of any liquidation or dissolution of the SFCIF, this Agreement shall automatically terminate upon the orderly completion of such liquidation or dissolution.

(d) Notwithstanding the above, this Agreement may only be terminated after both parties have determined that the SFCIF has adequate staff and resources to ensure compliance with its (and its subsidiary CDE's) existing NMTC-related contracts and obligations.

5. **Indemnification.** SFCIF shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise) arising from or in any way connected with any: (i) injury to or death of a person, including employees of City or SFCIF; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personally identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from SFCIF's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; so long as such injury, violation, loss, or strict liability (as set forth in subsections (i) – (v) above) arises directly or indirectly from SFCIF's performance of this Agreement, including, but not limited to, SFCIF's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any

omission to perform some duty imposed by law or agreement on SFCIF, its subcontractors, or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City

6. **Insurance.** SFCIF must procure and maintain for the duration of the Agreement, including any extensions (or caused to be procured and maintained by its consultant and vendors, as the case may be from time to time) insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work under this Agreement by the SFCIF, its agents, representatives, employees or subcontractors.

6.1 **Required Coverages.** Without in any way limiting SFCIF's liability pursuant to the "Indemnification" section of this Agreement, SFCIF must maintain in force (specifically as related to coverage noted in Section 6.1(d)), or cause to be procured and maintained by its consultants and vendors, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(c) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional Liability/Directors & Officers Liability Insurance, applicable to SFCIF's actions taken, negligent acts, errors or omissions of the SFCIF Board, its Board of Directors, Advisory Board and/or Officers, in the course and scope of their duties with limits not less than \$1,000,000 for each claim.

(e) Technology Errors and Omissions Liability coverage, with limits of \$1,000,000 for each claim and each loss. The policy shall at a minimum cover professional misconduct or lack of the requisite skill required for the performance of services defined in the contract and shall also provide coverage for the following risks:

(i) Network security liability arising from the unauthorized access to, use of, or tampering with computers or computer systems, including hacker attacks; and

(ii) Liability arising from the introduction of any form of malicious software including computer viruses into, or otherwise causing damage to the City's or third person's computer, computer system, network, or similar computer related property and the data, software, and programs thereon.

(f) SFCIF shall maintain in force during the full life of the agreement Cyber and Privacy Insurance with limits of not less than \$1,000,000 per claim. Such insurance shall include coverage for liability arising from theft, dissemination, and/or use of confidential information, including but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, protected health information or

other personally identifying information, stored or transmitted in electronic form.

6.2 Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

6.3 SFCIF's Commercial General Liability and Commercial Automobile Liability Insurance policies shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

6.4 SFCIF shall provide thirty (30) days' advance written notice to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City address set forth in Section 7 entitled "Notices".

6.5 Should any of the required insurance be provided under a claims-made form, SFCIF shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

6.6 Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

6.7 Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

6.8 Before commencing any Services, SFCIF shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease SFCIF's liability hereunder.

6.9 The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the SFCIF, its employees, agents and subcontractor(s).

6.10 If SFCIF will use any subcontractor(s) to provide Services, SFCIF shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the SFCIF as additional insureds.

6.11 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City's Risk Manager. At the option of the City's Risk Manager, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City and County of San Francisco and their respective

commissioners, members, officers, agents and employees; or SFCIF shall provide a financial guarantee satisfactory to the City's Risk Manager guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. **Notices.** All notices, demands, consents or approvals required under this Agreement shall be in writing and shall be deemed given when delivered personally or by facsimile transmission or three (3) business days after being deposited in the U.S. Mail, first class postage prepaid, return receipt requested, addressed as follows:

If to the City:	City Administrator's Office City Hall, Room 362 San Francisco, CA 94102 Attention: City Administrator
If to the SFCIF:	San Francisco Community Investment Fund c/o Controller's Office of Public Finance City Hall, Room 338 San Francisco, CA 94102 Attn: Director of the Office of Public Finance

or to such other addresses as the parties may designate by notice as set forth above.

8. **Conflict of Interest.** Except for approved, eligible, administrative or personnel costs, no employee, agent, consultant, officer or official of the SFCIF or the City who exercises or has exercised any functions or responsibilities with respect to activities or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this section, the SFCIF shall incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this section. The SFCIF shall be responsible for obtaining compliance with such provisions by the parties with whom it contracts and, in the event of a breach, shall take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

9. **Inspection of Books and Records.** In addition to the right to inspect public documents under the Public Records Act, Government Code Section 6250, et. seq. and the Sunshine Ordinance, the City, including its agents, shall have the right at all reasonable times and from time to time to inspect the books and records of the SFCIF pertaining to the SFCIF's compliance with its obligations under this Agreement. Promptly (but in no event exceeding ten (10) days following a written request from the City), the SFCIF shall make such books and records (or copies thereof) available for inspection and copying by the City, during customary business hours.

10. **Assignment of Agreement.** The SFCIF shall not assign this Agreement, or any part

thereof, without the prior express written consent of the City.

11. **Modification, Waiver and Amendments.** Neither this Agreement nor any of its terms may be terminated, amended, modified or waived except by a written instrument executed by the parties.

12. **Governing Law.** This Agreement shall be governed by the laws of the State of California. It is the responsibility of the SFCIF to be informed of local, state and federal laws and requirements applicable to this Agreement and to perform all work in compliance with those laws and requirements.

13. **Attorneys' Fees.** In any action or proceeding arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

14. **Severability.** If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be grossly inequitable under all the circumstances, or would frustrate the fundamental purposes of this Agreement.

15. **Counterparts.** This Agreement may be executed in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.

16. **Appropriation of Funds.** Notwithstanding anything to the contrary contained in this Agreement, there shall be no obligation for the payment or expenditure of money by the City under this Agreement unless there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Without limiting the foregoing, if in any fiscal year sufficient funds for the payment of any payments required under this Agreement are not appropriated for any reason, then the City may terminate this Agreement, without penalty, liability or expense of any kind to the City, as of the last date on which sufficient funds are appropriated. The City shall use its reasonable efforts to give the SFCIF reasonable advance notice of such termination.

17. **Discretion.** Each party, including their respective employees, officials, and boards, shall exercise its sole discretion over all matters relating to the NMTC Program and over each project or decision over which it has jurisdiction consistent with legal requirements. No commitment to any specific project shall be made by SFCIF until after environmental review, as and to the extent required by the California Environmental Quality Act (CEQA).

18. **No Joint Venture.** Nothing in this Agreement shall be construed as creating the right or ability of one party to bind the other and nothing in this Agreement shall be construed to create any joint liability with regard to, or as a result of, the activities undertaken by either party, their employees, officers and/or agents, to implement this Agreement. All employees, officers and/or agents of each party shall remain employees, officers and/or agents of that party and shall be subject to the laws, procedures, rules and policies governing that party's employees, officers and/or agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between the City and the SFCIF. Each party shall conduct all of its activities under this Agreement in accordance with all applicable laws and regulations.

20. **No Third-Party Beneficiaries.** There are no intended third-party beneficiaries of this Agreement. The parties acknowledge and agree that this Agreement is entered into for their mutual benefit and not for the benefit of any other party.

21. **Nondiscrimination.** In the performance of this Agreement, the SFCIF agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

22. **Limitations on Contributions.** Through execution of this Agreement, the SFCIF acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF the City and the SFCIF have executed this Agreement as of the date first above written.

**THE  
CITY AND COUNTY OF SAN FRANCISCO,**  
a municipal corporation

By: \_\_\_\_\_  
Carmen Chu  
City Administrator

**SAN FRANCISCO  
COMMUNITY INVESTMENT FUND,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Brian Strong  
President

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Heidi Gewertz  
Deputy City Attorney

### **Exhibit A – Funded Projects**

The SFCIF has completed twelve NMTC transactions totaling \$163.6 million of its NMTC allocation including the following projects:

- \$8.7 million to the College Track project located at 1401 3rd St. in the Bayview Hunters Point neighborhood for a tutoring facility benefitting disadvantaged youth (completed in September 2012);

- 15 million to the SF Jazz project located at 201 Franklin St. in the Western Addition neighborhood for a live performance and jazz education facility (completed in January 2013);

- \$15 million to the Boys and Girls Club of San Francisco project at 380 Fulton in the Western Addition neighborhood for the construction of a new youth facility (completed in January 2015);

- \$12.8 million to the Wholesale Produce Market project at 901 Rankin St. in the Bayview Hunters Point neighborhood for the construction of a new manufacturing facility (completed in December 2014);

- \$15 million to the American Conservatory Theater project at 1127 Market St. in the Civic Center neighborhood for the rehabilitation of a cultural facility (completed in May 2015); (vi)

\$13.5 million to the Proper Hotel (formerly known as the Renoir Hotel) project at 1100 Market St. in the Civic Center neighborhood for the rehabilitation of a historic property (completed in September 2017);

\$23.4 million to the PlaceMade project at 150 Hooper St. in the Design District neighborhood for the construction of a new manufacturing (completed in October 2018);

\$12.1 million to Geneva Car Barn project at 2301 San Jose Ave. in the Outer Mission neighborhood for the rehabilitation of a historic property to provide educational space focused in the arts (completed in July 2020);

\$18 million to the Meals on Wheels project at 2230 Jerrold Ave. in the Bayview Hunters Point neighborhood for the construction of a new food distribution facility (completed in November 2020);

\$8.007 million to the Community Arts Stabilization Trust project at 447 Minna St. in the SoMa neighborhood for the rehabilitation of the Dempster Building for arts and cultural non-profit tenants (completed in November 2021);

\$10 million to the Mission Neighborhood Center project at 1240 Valencia St. in the Mission District for the rehabilitation of an old police station into an Early Head Start/Head Start educational facility (in progress); and

\$12.05 million to the Community Music Center of SF project at 552-554 Capp St. in the Mission District for working capital to support program expenses and expansion (in progress).

SFCIF Resolution No. 77-2022

**AUTHORIZING AN AMENDED AND RESTATED COOPERATIVE AGREEMENT  
BETWEEN THE SAN FRANCISCO COMMUNITY INVESTMENT FUND AND THE  
CITY AND COUNTY OF SAN FRANCISCO AND AUTHORIZING SUBMITTAL TO  
THE SAN FRANCISCO BOARD OF SUPERVISORS FOR APPROVAL**

**BASIS FOR RESOLUTION**

WHEREAS, In February 2010, the former Redevelopment Agency of the City and County of San Francisco (the "Agency"), working with the City and County of San Francisco's (the "City") Office of Economic and Workforce Development ("OEWD"), formed the San Francisco Community Investment Fund, a California nonprofit public benefit corporation ("SFCIF"), as a community development entity to apply for new market tax credit ("NMTC") allocations from the U.S. Treasury

WHEREAS, On February 18, 2010 the SFCIF was incorporated pursuant to the laws of the State of California.

WHEREAS, On February 25, 2010 by Resolution No. 1-2010, Fred Blackwell, as Incorporator, appointed the initial Board of Directors of the SFCIF.

WHEREAS, On March 18, 2010 by Resolution No. 2-2010, the Board of Directors adopted the SFCIF Bylaws.

WHEREAS, Under Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26") and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) ("AB 1484", together with AB 26, the "Dissolution Law"), redevelopment agencies in the State, including the Agency, were first suspended from taking certain activities and then subsequently dissolved by operation of law.

WHEREAS, Under Board of Supervisor Resolution No. 11-12, the Board of Supervisors accepted all of the Agency's housing and non-housing assets, and gave the Director of Administrative Services the right and power to manage all Agency assets and to exercise all functions that the Agency previously performed with respect to those assets, Additionally, functions performed by the Agency under the NMTC program could not remain with the Agency under the Dissolution Law, and City staff and personnel consistent with Board of Supervisor Resolution No. 11-12, continued to advance the NMTC program for the benefit of underserved communities.

WHEREAS, The City, acting through the City Administrator, prepared a cooperative agreement with the SFCIF, a copy of which is on file with the Clerk of the Board in File No. 130427 (the "Cooperative Agreement"), to aid the SFCIF in fulfilling its mission to apply for NMTC allocations and to make qualified low-income community investments in projects, and to provide necessary City staff (but not funds) on an as needed basis, the costs of which are reimbursed by the SFCIF pursuant to the Cooperative Agreement.

WHEREAS, On June 11, 2013, the Board of Supervisors approved Resolution No. 190-13 authorizing the continuation of the NMTC program established by the Agency, revisions to the Bylaws of the SFCIF, and contributions of City staff under the Cooperative Agreement, and authorizing the SFCIF to enter into contracts to implement NMTC program at no cost to the City's General Fund.

WHEREAS, The City and SFCIF entered into a Cooperative Agreement, dated April 11, 2013 (the "Original Agreement"), which authorized the use of City resources including staff and equipment to achieve mutually agreed upon goals. The main objective of the Original Agreement was to provide the SFCIF with in-kind space and equipment, and staff, to assist with the day-to-day management of operations for the SFCIF.

WHEREAS, The SFCIF now desires to amend and restate the Original Agreement (the "Amended and Restated 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 or other activities which qualify for New Markets Tax Credits,

WHEREAS, The Amended and Restated Cooperative Agreement provides for an initial term commencing on July 1, 2022 to June 30, 2025, as well as providing that the parties 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.

WHEREAS, SFCIF staff is requesting authorization to submit an Amended and Restated Cooperative Agreement to the Board of Supervisors for approval.

RESOLVED, The Board of Directors of the SFCIF approves the Amended and Restated Cooperative Agreement and authorizes SFCIF staff to submit the Amended and Restated Cooperative Agreement to the Board of Supervisors for approval.

**RESOLUTION**


**ACCORDINGLY, IT IS RESOLVED** by the San Francisco Community Investment Fund Board of Directors that the Board hereby approves the Amended and Restated Cooperative Agreement between the SFCIF and the City and County of San Francisco and authorizes SFCIF staff to submit the Amended and Restated Cooperative Agreement to the Board of Supervisors for approval.

**APPROVED AS TO FORM:**

DocuSigned by:  
*Heidi Gewertz*  
8EE9794E540A464...  
Heidi J. Gewertz  
Counsel

**SECRETARY'S CERTIFICATE**

I HEREBY CERTIFY that I am the duly elected and acting Secretary and keeper of the records and corporate seal of the San Francisco Community Investment Fund, a California nonprofit public benefit corporation (the “**SFCIF**” or “**Corporation**”); that the attached is a true and correct copy of **Resolution 77 -2022** duly adopted by the Board of Directors (the “**Board**”) of the Corporation at a duly noticed and called meeting of such Board on January 19, 2022 (the “**Resolution**”); that the Resolution does not conflict with the corporate charter or bylaws of the Corporation, nor has the Resolution been in any way altered, amended or repealed, and that it is in full force and effect, unrevoked and unrescinded, as of this day, and has been entered upon the regular minute book of this Corporation, as of the aforementioned date, and that the Board of the Corporation has, and at the time of adoption of the Resolution, had, full power and lawful authority to adopt the Resolution and to confer the powers thereby granted to the officers and staff therein named who have full power and lawful authority to exercise the same.

DocuSigned by:  
  
FC3802397D2E435...  
Carmen Chu, Secretary

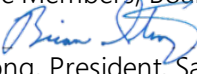
Dated: January 20, 2022



## MEMORANDUM

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TO: Honorable Members, Board of Supervisors

FROM:  Brian Strong, President, San Francisco Community Investment Fund  
Staff, San Francisco Community Investment Fund

SUBJECT: Resolution Approving the Continuation of the New Market Tax Credit Program

DATE: February 15, 2022

---

### Recommended Action

We respectfully request that the Board of Supervisors ("Board") consider for review and approval the resolution ("Resolution") approving an Amended and Restate Cooperative Agreement which would allow the continuation of the New Markets Tax Credit program administered by the San Francisco Community Investment Fund ("SFCIF") established by the Redevelopment Agency of the City and County of San Francisco ("Redevelopment Agency") and transferred to the City and County of San Francisco ("City") in 2013 SFCIF.

### Background

In February 2010, the Redevelopment Agency formed a new corporate entity called the San Francisco Community Investment Fund, a California nonprofit public benefit corporation, to increase investment in low-income communities 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 ("CDFI") and is eligible to apply for new market tax credits allocations from the CDFI.

With the dissolution of the Redevelopment Agency, in 2013, the Board approved Resolution No. 190-13 and a Cooperative Agreement between the City and SFCIF authorizing 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 to continue to advance the NMTC program. The term of the Cooperative Agreement was extended to June 30, 2022.

### Request

The City and SFCIF now desire to amend and restate the original 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



Your consideration of this matter is greatly appreciated. Please contact Bridget Katz ([bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)), Marisa Pereira Tully ([marisa.pereira.tully@sfgov.org](mailto:marisa.pereira.tully@sfgov.org)), or Laurel Arvanitidis ([laurel.arvanitidis@sfgov.org](mailto:laurel.arvanitidis@sfgov.org)) if you have any questions.

**cc:** Angela Calvillo, Clerk of the Board of Supervisors  
Andres Powers, Mayor's Office  
Ashley Groffenberger, Mayor's Budget Director  
Ben Rosenfield, Controller  
Members, SFCIF Governing Board  
Members, SFCIF Advisory Board  
Harvey Rose, Budget Analyst  
Severin Campbell, Budget Analyst  
Heidi Gewertz, Deputy City Attorney

**Attachments:**

- Amended and Restated Cooperative Agreement
- Copy of Board of Supervisors Resolution No. 190-13
- Copy of SFCIF Resolution No. 77-2022 Authorizing the Amended and Restated Cooperative Agreement and Submission to the Board of Supervisors

**SAN FRANCISCO COMMUNITY INVESTMENT FUND  
NEW MARKETS TAX CREDIT PROGRAM  
ECONOMIC AND SOCIAL IMPACT POLICIES**

**I. PURPOSE**

The City and County of San Francisco (the “City”) and the former San Francisco Redevelopment Agency formed San Francisco Community Investment Fund (“SFCIF”), a qualified Community Development Entity (“CDE”) for the purpose of operating a New Markets Tax Credit Program.

The SFCIF will leverage its participation in the New Markets Tax Credit (“NMTC”) program and related programs to increase critical capital investments in areas of San Francisco that have historically experienced and continue to experience underinvestment. The SFCIF’s targeted goals for underserved areas and populations in San Francisco encompass the following five focus areas:

- Economic Development Impact and Support
- Community and Social Development Impact and Support
- Sustainable Job Creation and Retention and Wealth Creation
- Investment Diversification and Partnerships Development
- Environmentally Sustainable Outcomes

These Economic and Social Impact Policies (the “Policies”) facilitate rigorous, systematic, transparent prioritization of proposed projects and investments; support economic and community development goals Citywide; and establish a framework for evaluation and monitoring of investments to ensure ongoing progress towards the Policies. In addition, the Policies complement the Allocation Agreement with the Community Development Financial Institutions Fund and federal law, rules, and regulations to facilitate community accountability of SFCIF investments.

Together with SFCIF-approved New Markets Tax Credit Program Policies and the New Markets Tax Credit Lending and Credit Policies, the Policies set forth the criteria by which the Advisory Board recommends investments in qualified businesses in qualified low-income communities and targeted populations.

## II. FOCUS AREAS

### Section 2.1 Economic Development Impact and Support

Priority in investments will be given to businesses and organizations that achieve the following economic development objectives:

- Attract additional capital investment
- Promote capital generation of the community
- Enhance existing infrastructure and adds new infrastructure

Criteria	Description
Provision of public infrastructure	Project should create or expand access to public infrastructure needed in the impacted community. Could include (but not limited to) childcare, educational facilities, art/cultural facilities, public health facilities, open space, daily goods, or food access.
Activation of public space/generation of indirect economic activity	Project should foster economic activity in the area and an environment where complementary economic activities could develop.
New capital investment	Businesses building a new facility or making substantial improvements to an existing facility.

### Section 2.2 Community and Social Development Impact and Support

The community and social development criteria prioritize lasting impacts of proposed projects. Community development criteria prioritize community involvement in the project planning and development process and creation of assets/programming that activate community involvement more generally.

Priority in investments will be given to businesses/organizations that contribute significant community development impacts in the following areas:

- Increase sustainability of the community;
- Enhance public safety;
- Activate underutilized/vacant property;
- Bridge community service organization gaps;
- Actively foster community involvement in planning process and during operations.

<b>Criteria</b>	<b>Description</b>
Community Involvement in planning process	Project sponsors have included surrounding community in planning process and provided evidence of strong community benefit and support. There should be documentation of plans to maintain community involvement in creation and ongoing management of the project/programs. This should be in addition to adherence to City regulations on local hire, etc.
Opportunities for underrepresented populations	Project will facilitate free and low-cost opportunities focusing on academic assistance, career exploration or cultural development. These opportunities should be directed at populations that are underrepresented in the community the project is located or operating in.
Development of social capital	Proposed project/program facilitates social networking (within the neighborhood and across the City) and/or civic engagement
Enhancement of overall welfare and quality of life	Proposed project/program facilitates increase in passive and active recreation, decrease in violence, increase in neighborhood safety. A project's ability to improve the quality of life for the residents in areas that are in close and direct proximity to the NMTC project.
Overall community integration	Project increases community cohesion into overall City fabric. Through programs or physical design, adds to or creates a theme that differentiates the community from others in the City creating a neighborhood/city-wide/regional draw.

### **Section 2.3 Sustainable Job Creation/Retention and Wealth Creation**

Job creation and employment opportunity evaluation will take into consideration wages, employee benefits, net new jobs, job types and locations. Projects that meet criteria among these objectives will be considered to have a high impact on San Francisco's economy.

Priority in investments will be given to businesses/organizations that promote sustainable job creation and retention and wealth creation.

<b>Criteria</b>	<b>Description</b>
Job Creation and Retention	Projects will create sustainable employment with a particular focus on career track opportunities for economically disadvantaged communities.
Neighborhood Asset Development	Project sponsors should consider ways that the project can increase the economic assets of the impacted community. This can include job creation (construction and permanent), or other asset creation.
Employee Benefits	Companies create jobs that provide employee benefits including health care and retirement savings may receive bonus points.
Local Hire	Projects will adhere to San Francisco local hire legislation.

## **Section 2.4 Investment Diversification and Partnerships Development**

The Investment Diversification and Partnerships Development goals promote fair and efficient distribution of NMTC allocations and ensure geographic, industry and project diversity.

<b>Criteria</b>	<b>Description</b>
<b>Investment Allocation</b>	Investments in any one project will consider available allocation and pipeline of projects.
<b>Geographic Diversity</b>	Investments in any one census tract or grouping of contiguous census tracts will consider geographic and demographic diversity of aggregate investments.
<b>Leveraging</b>	Investments will leverage diverse funding sources and promote partnerships with other Community Development Entities.

## **Section 2.5 Environmentally Sustainable Outcomes**

Priority in investments will be given to businesses and/or organizations that promote environmentally sustainable outcomes. Demonstration of environmentally sustainable outcomes will be included in the overall impact evaluation of a project, and will take into consideration:

- Energy efficiency
- Water conservation
- Waste reduction
- Increase San Francisco’s overall transmission capacity
- Projects that participate in environmental rating systems
- Projects that are LEED certified

<b>Criteria</b>	<b>Description</b>
Sustainable Construction	Integrate elements that improve resource efficiency and conservation wherever possible.
Sustainable Operations	Upon completion, project operations should be as minimally physically impactful to the environment as possible.

## Section 2.6 Racially Equitable Outcomes

The racial equity criteria prioritize the fair treatment of historically underserved groups that face unequal barriers to success and diminished opportunity. These criteria promote projects that will contribute to reversing systemic racial inequities and create positive outcomes for the communities that have suffered from racist laws, policies, practices and institutions.

Priority in investments will be given to businesses and/or organizations that advance racially equitable outcomes in the following areas:

- Create or improve publicly accessible community assets in historically underserved neighborhoods;
- Advance capacity for BIPOC-led and BIPOC-serving nonprofit organizations;
- Create good-paying jobs and career pathways for BIPOC individuals;
- Support educational and cultural programming for BIPOC children and families;
- Increase business ownership by and wealth creation opportunities for BIPOC individuals.

<b>Criteria</b>	<b>Description</b>
Create or Improve Publicly Accessible Assets	Project will create new or improve existing services, amenities and public spaces that are free or accessible to local BIPOC residents in areas that have faced historic divestment.
Nonprofit Capacity	Investment will increase the service quality and/or scale of BIPOC-led and/or BIPOC-serving nonprofit organizations.
Career Pathways	Project will create new permanent, full-time jobs accessible to BIPOC San Franciscans with targeted outreach to historically marginalized groups.
Education and cultural programming	Project will work to reduce racial academic achievement gaps in San Francisco through educational, cultural and/or extracurricular programming for children and families.

### **III. IMPLEMENTATION**

In order to be considered for an NMTC allocation, an applicant will submit an application to the SFCIF as outlined in the NMTC Program Policies and Procedures. Applications for NMTC allocations will be evaluated using a competitive process that will be standardized and transparent. Applicants will provide information necessary to facilitate informed, responsible, financially prudent and timely decision making regarding proposed projects by SFCIF staff, the Advisory Board and the Board of Directors.

SFCIF's staff will review and screen applications for completeness and present summaries of applications received to the Advisory Board. These summary evaluations will include considerations of the areas of focus of the Policies, feasibility, and readiness criteria including:

- Proposed timeline and total funding request;
- Discussion of associated programming to address social benefits; and
- Discussion of potential project risk (e.g. execution risk).

Investment considerations will balance the need to deliver NMTC in an efficient, economical and expeditious manner with the expected impact the project will have with respect to the focus areas of the Policies.

#### **Section 3.1 Evaluation, Review and Recommendation Process**

In order to facilitate evaluation of proposed projects, the focus areas have been assigned points to assess an applicant's impact based on the priorities, objectives and targets of the Policies. Each Advisory Board member will complete a scoring sheet including scores for sections corresponding to each of the focus areas of the Policies.

In addition to criteria regarding social and economic impact, Advisory Board members will additionally provide a score that assesses project feasibility. Based on the information provided, the Advisory Board will evaluate projects for the following feasibility criteria:

- Financial and timeline feasibility;
- Demonstration that investment allows the project to proceed or attract additional capital necessary to complete its financing structure ("But for Test").
- Sustainability and permanence of benefits;
- Demonstration of readiness to move forward with an ability to close within 3-6 months of recommendation.
- Demonstration of strong and qualified management team.
- Total impact of proposed benefits (geographic, population scope).

The Advisory Board's evaluation of proposed projects in accordance with the Policies and feasibility criteria will be provided to the Executive Board to inform final funding decisions. Satisfaction of minimum application requirements, the Policies and/or the feasibility criteria does not guarantee that the Advisory Board will recommend investment.

#### **IV. WAIVER**

The Policies or portions hereof may be waived by the Advisory Board if the Advisory Board determines that a deviation from the Policies is necessary. Such waiver will be reflected in the minutes of the meeting at which the waiver is considered.



**Appendix A**  
**Application Evaluation Summary Criteria**

**ECONOMIC DEVELOPMENT IMPACT AND SUPPORT**

<b>Criteria</b>	<b>Description</b>
Provision of public infrastructure	Project should create or expand access to public infrastructure needed in the impacted community. Could include (but not limited to) childcare, educational facilities, art/cultural facilities, public health facilities, open space, daily goods, or food access.
Activation of public space/generation of indirect economic activity	Project should foster economic activity in the area and an environment where complementary economic activities could develop.
New capital investment	Businesses building a new facility or making substantial improvements to an existing facility.

**COMMUNITY AND SOCIAL DEVELOPMENT IMPACT AND SUPPORT**

<b>Criteria</b>	<b>Description</b>
Community Involvement in planning process	Project sponsors have included surrounding community in planning process and provided evidence of strong community benefit and support. There should be documentation of plans to maintain community involvement in creation and ongoing management of the project/programs. This should be in addition to adherence to City regulations on local hire, etc. Businesses will be

Opportunities for underrepresented populations	Project will facilitate free and low-cost opportunities focusing on academic assistance, career exploration or cultural development. These opportunities should be directed at populations that are underrepresented in the community the project is located or operating in.
Development of social capital	Proposed project/program facilitates social networking (within the neighborhood and across the City) and/or civic engagement
Enhancement of overall welfare and quality of life	Proposed project/program facilitates increase in passive and active recreation, decrease in violence, increase in neighborhood safety. A project's ability to improve the quality of life for the residents in areas that are in close and direct proximity to the NMTC project.
Overall community integration	Project increases community cohesion into overall City fabric. Through programs or physical design, adds to or creates a theme that differentiates the community from others in the City creating a neighborhood/city-wide/regional draw.

## SUSTAINABLE JOB CREATION AND RETENTION AND WEALTH CREATION

Criteria	Description
Job Creation and Retention	Projects will create sustainable employment with a particular focus on career track opportunities for economically disadvantaged communities.
Neighborhood Asset Development	Project sponsors should consider ways that the project can increase the economic assets of the impacted community. This can include job creation (construction and permanent), or other asset creation.
Employee Benefits	Companies create jobs that provide employee benefits including health care and retirement savings may receive bonus points.
Local Hire	Projects will adhere to San Francisco local hire legislation.

## INVESTMENT DIVERSIFICATION AND PARTNERSHIPS DEVELOPMENT

<b>Criteria</b>	<b>Description</b>
Investment Allocation	Investments in any one project will consider available allocation and pipeline of projects.
Geographic Diversity	Investments in any one census tract or grouping of contiguous census tracts will consider geographic and demographic diversity of aggregate investments.
Leveraging	Investments will leverage diverse funding sources and promote partnerships with other Community Development Entities.

## ENVIRONMENTALLY SUSTAINABLE OUTCOMES

<b>Criteria</b>	<b>Description</b>
Sustainable Construction	Integrate elements that improve resource efficiency and conservation wherever possible.
Sustainable Operation	Upon completion, project operations should be as minimally physically impactful to the environment as possible.

## RACIALLY EQUITABLE OUTCOMES

<b>Criteria</b>	<b>Description</b>
Create or Improve Publicly Accessible Assets	Project will create new or improve existing services, amenities and public spaces that are free or accessible to local BIPOC residents in areas that have faced historic divestment.
Nonprofit Capacity	Investment will increase the service quality and/or scale of BIPOC-led and/or BIPOC-serving nonprofit organizations.
Career Pathways	Project will create new permanent, full-time jobs accessible to BIPOC San Franciscans with targeted outreach to historically marginalized groups.
Education and cultural programming	Project will work to reduce racial academic achievement gaps in San Francisco through educational, cultural and/or extracurricular programming for children and families.

## APPLICANT READINESS TO PROCEED

<b>Criteria</b>	<b>Description</b>
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**From:** [Conine-Nakano, Susanna \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Pereira Tully, Marisa \(CON\)](#); [Katz, Bridget \(CON\)](#)  
**Subject:** Mayor -- Resolution -- New Market Tax Credit Program  
**Date:** Tuesday, March 1, 2022 4:18:33 PM  
**Attachments:** [Mayor -- Resolution -- New Market Tax Credit Program.zip](#)

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Hello Clerks,

Attached for introduction to the Board of Supervisors is a 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 San Francisco Community Investment Fund's New Market Tax Credit program, including the provision of a loan in an amount not to exceed Three Hundred and Fifty Thousand Dollars (\$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 to 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.

Please let me know if you have any questions.

Sincerely,  
Susanna

Susanna Conine-Nakano  
Office of Mayor London N. Breed  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102  
415-554-6147