

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.**

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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
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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 11, 2013,
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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