

**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	Weight
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.

Criteria	Description	Weight
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.	

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.

Criteria	Description	Weight
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.

Criteria	Description	Weight
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.	

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

Criteria	Description	Weight
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.	

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

Criteria	Description	Weight
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.	
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COMMUNITY AND SOCIAL DEVELOPMENT IMPACT AND SUPPORT

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SUSTAINABLE JOB CREATION AND RETENTION AND WEALTH CREATION

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INVESTMENT DIVERSIFICATION AND PARTNERSHIPS DEVELOPMENT

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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

Criteria	Description	Weight
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.	

APPLICANT READINESS TO PROCEED

Criteria	Description	Weight
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