

**MEMORANDUM OF UNDERSTANDING
BETWEEN SAN FRANCISCO COMMUNITY INVESTMENT FUND
AND MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT**

Purpose

This Memorandum of Understanding ("MOU"), dated as of April 17, 2015 is entered into by and between the San Francisco Community Investment Fund ("SFCIF") and the Mayor's Office of Housing and Community Development ("MOHCD"). SFCIF and MOHCD are entering into this MOU to combine capital funding sources and provide gap financing for significant projects of neighborhood and community importance. The purpose of this MOU is to provide assurance that MOHCD will honor the requirements set forth by the SFCIF for funds provided to MOHCD.

Background

On February 18, 2010 the SFCIF was incorporated pursuant to the laws of the State of California as a community development entity to apply for new market tax credit ("NMTC") allocations from the U.S. Treasury. In February 2012, the SFCIF was awarded a NMTC allocation of \$45,000,000 ("Allocation Amount"), and in September 2014, the SFCIF submitted a new application for NMTCs in an amount not to exceed \$80,000,000. Since that time, the Allocation Amount has been used for several impactful projects located in highly distressed communities in San Francisco. The SFCIF now has available funds derived from sponsor fees paid at closing and asset management fees paid to date from closed projects.

On November 24, 2014, SFCIF staff presented projected SFCIF program fees to the SFCIF Board of Directors and recommended leveraging the MOHCD's Capital Grant Funds to enhance the SFCIF's development outcomes for the purposes of combining capital funding sources and providing gap financing for significant projects of neighborhood and community importance, leveraging and ensuring coordination of City funding sources, creating a positive impact upon commercial corridors and ensuring long-term sustainability of community facilities, and stimulating job creation. The grant program meets the SFCIF funding principles and aligns with the SFCIF's policy goals to serve the City's low income communities and low income populations. Specifically the grant will make targeted capital investments with the goal of improving select facilities in the City low income and culturally significant neighborhoods, supporting their revenue generation and driving long-term sustainability of important neighborhood institutions and potentially also the neighborhood itself.

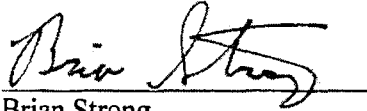
Agreement

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties mutually agree as follow:

1. Without limiting the foregoing, SFCIF and MOHCD covenants and agrees as follows:
 - a. The SFCIF Board of Directors will issue, in accordance with its customary practices, when all requirements have been satisfied, any authorization to transfer program revenues to MOHCD for purposes of funding projects that align with the SFCIF's policy goals to serve the City's low income communities and low income populations. Consistent with such customary practices and consistent with SFCIF's policy goals, SFCIF has agreed to fund the projects identified in Appendix A in an amount not to exceed One Million Dollars (\$1,000,000) (the "Total Funding Amount"). For the period commencing of the date of this Agreement and ending on that date that is three (3) years following the disbursement of the funds by MOHCD to the grant recipients ("Reporting Period"), MOHCD will collect and maintain information on the progress and status of each grant recipient.
 - b. MOHCD will collect and maintain all respective Community Benefits Agreements of each grant recipient, as required and adopted by the SFCIF Board of Directors, to report on job creation benefits, community and social development benefits, partnership development benefits, economic development benefits, and environmental sustainability benefits.
 - c. MOHCD will report annually to the SFCIF Board of Directors and at the request of the SFCIF Advisory Board on each Community Benefits Agreement progress report. MOHCD will submit this report for each fiscal year during the construction of the improvements and for two years following the close of the fiscal year in which the improvements are completed on the anniversary date of the completion of construction through the Reporting Period.
 - d. The Total Funding Amount of SFCIF funds shall be transferred to MOHCD at the execution of this MOU after such time that the Board of Supervisors has authorized an Accept and Expend Resolution, as requested by MOHCD, related to the Total Funding Amount. MOHCD shall submit detail of expenditures on a quarterly basis beginning with the quarter ending June 30, 2015. Any unused funds shall be returned to SFCIF.
 - e. SFCIF funds can only be used for projects identified in Appendix A of this Agreement. Any alternative use must be approved by SFCIF. No administrative costs will be covered by the SFCIF funds.
2. The term of the MOU shall be in effect until the completion of the program described above, or may be extended by mutual agreement. Termination of the MOU shall be by mutual agreement of the parties.

In Witness Whereof, the departments hereto have executed this Memorandum of Understanding:

San Francisco Community
Investment Fund:



Brian Strong
President of the Board

4/23/2015
Date

Mayor's Office of Housing
and Community Development:



Olson Lee
Director, Mayor's Office of Housing and
Community Development

4/22/2015
Date

APPENDIX A

<u>Project Recipients:</u>	<u>Amount:</u>
San Francisco Lesbian Gay Bisexual Transgender Community Center	\$756,461
Brava! For Women in the Arts	\$243,539