

RESOLUTION NO. 49-2010

Adopted May 4, 2010

AUTHORIZING A COOPERATIVE AGREEMENT WITH THE SAN FRANCISCO COMMUNITY INVESTMENT FUND, A CALIFORNIA NONPROFIT, PUBLIC BENEFIT CORPORATION (“SFCIF”), FOR A LOAN CONSISTING OF AGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$100,000 AND AGENCY STAFF TIME IN AN AMOUNT NOT TO EXCEED \$385,000, FOR A TOTAL AGGREGATE LOAN AMOUNT NOT TO EXCEED \$485,000, IN A TWO-YEAR PERIOD, TO AID THE SFCIF IN FULFILLING ITS MISSION TO APPLY FOR NEW MARKETS TAX CREDITS AND TO MAKE QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33334.2), the Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction and rehabilitation of slums and other blighted areas in the City and County of San Francisco (the “City”), as well as increasing and preserving the supply of housing affordable to low- and moderate-income households.
2. The Agency, in partnership with the Office of Economic and Workforce Development, wanted to form 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.
3. 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’s Executive Director caused the SFCIF’s Articles of Incorporation to be filed and the SFCIF was officially created on February 18, 2010.
4. 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. On March 18, 2010, at a duly notice and agenzized meeting, the SFCIF Board of Directors adopted the SFCIF Bylaws.
5. The SFCIF will serve as the applicant for the NMTC Program. Only CDEs can apply for an allocation of New Markets Tax Credits. The SFCIF will 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 will maintain accountability to residents of low-income communities through community representation on its advisory board.

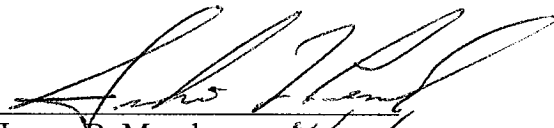
6. In order to avoid incurring unnecessary expense and delay associated with the creation of an entire administrative structure to manage the day-to-day operations of the SFCIF, including the expense of hiring, retaining, and managing employees, the Agency and the SFCIF desire to enter into a cooperative agreement (“Cooperative Agreement”) to allow the Agency to provide to the SFCIF a loan consisting of Agency funds in an amount not to exceed \$100,000 and Agency staff time in an amount not to exceed \$385,000, for a total aggregate loan amount not to exceed \$485,000, in a two-year period, 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.
7. Agency funds are to be used to pay for certain costs that have been or will be incurred by the SFCIF in connection with its incorporation, its participation in the NMTC Program, contracting with consultants and/or vendors and the funding of NMTC eligible projects.
8. Agency staff time will be loaned by the Agency to the SFCIF to aid the SFCIF in fulfilling its mission to make qualified low-income community investments in the City or other activities which qualify for New Markets Tax Credits. Agency 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. Agency staff time shall be billed at a rate of 165% of each Agency employees’ salary.
9. In addition to the Agency loan, Agency employees and Commissioners may utilize Agency office space, equipment, vehicles, and other Agency property in its 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 Agency to the SFCIF (the “Agency Contribution”). The Agency agrees to 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 Agency Contribution.
10. The Cooperative Agreement will provide the SFCIF with capital, in-kind space and equipment and pay Agency staff to assist with the day-to-day management of operations of the CDE as part of the New Markets Tax Credits application and award process. These activities would not directly cause any change in the physical environment and are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Cooperative Agreement with the San Francisco Community Investment Fund, a

California nonprofit, public benefit corporation, for a loan consisting of Agency funds in an amount not to exceed \$100,000 and Agency staff time in an amount not to exceed \$385,000, for a total aggregate loan amount not to exceed \$485,000, in a two-year period, 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, substantially in the form lodged with the Agency General Counsel, and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:


James B. Morales 4/27/10
Agency General Counsel