

Legislation Details (With Text)

File #:	18-1445	Version:	1
Type:	Environmental & Utility Services	Status:	Agenda Ready
File created:	10/15/2018	In control:	City Council
On agenda:	10/30/2018	Final action:	
Title:	Actions Related to the New Markets Tax Credit Transactions for the Construction of the Environmental Innovation Center.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Memorandum, 2. (a) Resolution, 3. (b) Resolution, 4. (c) Resolution, 5. (a) Agreement 1, 6. (a) Agreement 2, 7. (a) Agreement 3, 8. (b) Agreement 1, 9. (b) Agreement 2, 10. (b) Agreement 3		

Date	Ver.	Action By	Action	Result
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Actions Related to the New Markets Tax Credit Transactions for the Construction of the Environmental Innovation Center.

(a) Approve the unwinding of the New Markets Tax Credit transactions by: adopting a resolution to authorize the City Manager to (i) acquire the respective membership interests of Chase Community Equity, LLC, a Delaware limited liability company and Community Development Properties New Markets MM, INC., a Delaware corporation and, collectively with Chase Community Equity, LLC, the (“Fund Investors”) in Chase New Markets Tax Credit SJEIC Investment Fund, LLC (“Investment Fund”) for a purchase price of \$1,010 and, in connection therewith, to negotiate and execute the New Markets Tax Credit Exit Agreement and the Fund Purchase Agreement with Fund Investors; (ii) accept the Assignment of QLICI Notes and Leasehold Deed of Trust from the Investment Fund in satisfaction of the leverage loan; and (iii) negotiate and execute other related documents as necessary in connection with the unwinding of the New Markets Tax Credit transactions.

(b) Adopt a resolution consenting to the redemption of Investment Fund’s membership interests in the (i) NDC New Markets Investments LXV, LLC (holder of QLICI Notes A and B), (ii) Northern California Community Loan Fund New Markets Tax Credit Sub-CDE III, LLC (holder of QLICI Notes C and D), and (iii) Brownfield Revitalization XV, LLC (holder of QLICI Notes E and F) in exchange for assignments of QLICI Notes (A-F) (collectively, the “QLICI Notes”) and the QLICI Loan Documents securing the QLICI Notes to the Investment Fund; and authorizing the City Manager to execute the Consent to the Redemption and Assignment.

(c) Adopt a resolution to authorize the City Manager to negotiate and execute all necessary documents to (i) cause Investment Fund to forgive the QLICI Loan and reconvey the QLICI Deed of Trust; (ii) dissolve the Investment Fund; (iii) terminate the Ground Lease and the Master Lease between the City and the EIC QALICB, Inc.; and (iv) enable the EIC QALICB, Inc. to dissolve as a California nonprofit public benefit corporation and transfer all of its assets to the City.

CEQA: Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. Council District 3. (Environmental Services)