

Legislation Text

File #: 18-1445, Version: 1

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)