



# Catalytic Neighborhood Investment Request for Proposals

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## **CATALYTIC NEIGHBORHOOD INVESTMENT OPPORTUNITY**

### INTRODUCTION

The City of San Diego (City), through its Economic Development Department, has a long history of cultivating economic and community development opportunities to serve businesses, neighborhoods and residents. The City's vision and strategic accomplishments have helped foster high-quality public services, achieve safe and livable neighborhoods, and sustain a resilient and economically prosperous City.

The City is inviting proposals from qualified respondents to partner with the City to create catalytic neighborhood investments. These high-impact investments will be dedicated to improving community facilities and establishing affordable housing initiatives.

### PROJECT GOALS AND OBJECTIVES

The primary GOALS of Catalytic Neighborhood Investment projects are to:

- a. Create impactful community facilities to address challenges and needs of vulnerable low- and moderate-income residents; or
- b. Provide affordable housing opportunities for low- and moderate-income households.

To address these GOALS, the City, in partnership with a successful respondent, will focus on two primary functions:

- a. Increasing the number of community changing projects in CDBG-eligible neighborhoods; and
- b. Creating projects to stimulate/initiate outside investments in these CDBG-eligible communities.

The OBJECTIVES of the successful respondent may include, but are not limited to:

- Identify, design and launch a well-managed project;
- Develop a strategic plan and financial plan for the project;
- Provide staff to manage the facility and tenants;
- Develop criteria for tenant recruitment to include eligibility and selection criteria;
- Offer affordable rents to tenants;
- Enable basic support services (i.e. IT, and communication services);
- Develop programming, including, but not limited to, housing counseling, workforce development, and public services;
- Develop success metrics;
- Encourage local, regional and international collaborations to enhance community, establish investment opportunities, and attract resources;
- Develop branding and marketing materials to promote the project;
- Develop a self-sustaining project by the time City funding support has been exhausted;
- Emphasize and implement diversity in recruitment and selection of contractors, tenants and participants; and
- Provide both monthly and annual reports to the City.

## RESPONDENT PROFILE

The lead respondent may be a non-profit organization, industry group, academic or research institution, co-working space, private company, venture capitalist, real-estate developer, or individual.

While the lead respondent may be a single organization, the City welcomes joint ventures and partnerships, as there are multiple elements to the proposal that require specific areas of expertise.

## CITY OF SAN DIEGO'S ROLE

The City's role will be to: (1) make an initial capital investment to prepare the community facility once the site is secured by the successful respondent; or (2) affordable housing provide a capital investment or operating capital for the proposed affordable housing initiative. Proposed facilities or housing projects must be located in a low- and moderate-income community within the City of San Diego and be on a site properly zoned and permitted. The City intends its funds to serve as gap funding for a larger scale project. All other funding sources must be secured by the time of contract execution or awarded CDBG funds will be forfeited. In addition to funding assistance, the City will assist with planning and permitting assistance.

## FUNDING AND BUDGET

The City's funding commitment is being made through anticipated FY 2020 Community Development Block Grant (CDBG) funds received from the U.S. Department of Housing and Urban Development, subject to annual federal appropriation. The minimum funding request for the purposes of this RFP is \$100,000. The maximum budget for this RFP is \$7 million.

## REQUEST FOR PROPOSALS (RFP) ANTICIPATED TIMELINE

The table below presents the major RFP solicitation milestones and related time periods:

Time Period	Major Milestones
January 16, 2019	RFP Workshop
February 1, 2019	Submission due date for proposals
February 13, 2019	Consolidated Plan Advisory Board: proposal presentations
March 8, 2019	Preliminary scoring results posted online
March 13, 2019	Consolidated Plan Advisory Board: approves scores and makes recommendations to City Council
March 2019	Funding recommendations presented to Public Safety and Livable Neighborhoods Committee
April 2019	Funding recommendations presented to City Council
July 1, 2019	Contract term begins

## **SUBMITTAL REQUIREMENTS**

Respondents must submit a proposal that includes all the information outlined below.

## PROJECT DESCRIPTION AND TIMELINE

### Description

Respondents must describe their proposed project, including their vision or approach to each of the Objectives, a description of the services offered, including which entities will provide these services, and a demonstration of an understanding of the demand for the proposed facility and/or services.

## Timeline

Respondents must include a timeline that outlines their proposal and expected milestones, including an anticipated construction completion date.

## MEASURING IMPACTS

Respondents must describe the anticipated impacts, and how these impacts will be measured, in at least two of the three areas below:

1. Neighborhood specific impacts
2. Site specific impacts
3. Impact to a certain population served

## IMPLEMENTATION AND SUSTAINABILITY PLAN

### Implementation Plan

Respondents must detail the target population to be served, the critical needs to be addressed and anticipated results of their proposed project. This should include the implementation schedule and the shovel-readiness of the proposed project.

### Sustainability Strategy

Respondents must detail how they plan to raise additional funds for the project from sources other than the City and where the funds would originate. Respondents must explain how long they intend to operate the proposed project and describe the long-term benefits of the proposed project.

## MANAGEMENT AND OPERATIONS STRATEGY

Respondents must include a management and operations plan, including, but not limited to, staffing information (e.g. role descriptions, organizational structure, governance structure) and operational information (e.g. services offered, hours of operation).

## FINANCIAL STRATEGY AND CAPACITY

The selected respondent is expected to develop a self-sustaining operation.

In addition to the initial contribution requested from the City, Respondents must submit an annual budget and cash flow analysis for the initial three years, starting from July 1, 2019, and presenting: (1) the amounts Respondent will invest to cover start-up and operating costs, and (2) the amounts they will seek to raise from other sources to cover start-up and operating costs.

The annual cash flow analysis must include capital and operating budgets detailing expenses for any capital improvements, other upfront and on-going expenses (including repairs and maintenance), rents incurred by the Respondent, rents or other fees charged to tenants, and any other potential funding sources for operating expenses funding gaps.

If applicable, Respondents may include letters of interest from potential financial partners.

## EQUAL OPPORTUNITY CONTRACTING

The City is strongly committed to equal opportunity in the solicitation of business contracting to assure that persons or businesses doing business with or receiving funds from the City are equal opportunity businesses and employers. The City endeavors to do business with firms sharing the City's commitment to equal opportunity and will not do business with any firm that discriminates. The City strongly recommends that persons and businesses doing business with the City take

positive steps toward diversity, expanding their sub-contracting solicitation base and offering opportunities to all eligible persons, businesses and organizations.

Individuals, contractors, vendors, consultants, grantees, lessees, and banks contracting with the City must comply with the City's Equal Opportunity Contracting Program. The Respondent selected, and each of its subcontractors, shall comply with Title VII of the Civil Rights Act of 1964, as amended; Executive Orders 11246, 11375, and 12086; the California Fair Employment Practices Act; San Diego Municipal Code sections 22.2701 through 22.2707, and any other applicable federal or state laws or regulations currently existing or enacted after the date of this RFP.

#### STATEMENT OF QUALIFICATIONS AND RELEVANT EXPERIENCE

Each Respondent submitting a proposal must demonstrate sufficient financial resources/capacity and relevant experience to manage and operate the proposed project.

Each proposal must include:

- a. Name, address, telephone number and qualifications of the Respondent team;
- b. Background information and experience on all members of the Respondent team and their role, including the principal members of the team involved in the development and operation of the proposed project;
- c. Listing of names and affiliations of the members of its Board of Directors or other governing body of each Respondent team member;
- d. Financial management policies and procedures;
- e. Operating policies and procedures;
- f. Most recent Annual Report, if applicable;
- g. Documentation or information evidencing the relevant experience of the Respondent team and its demonstrated ability to manage the proposed project. This information should include any past experience with similar projects and partnerships with community, educational, financial or other organizations that would support the viability of the proposed project;
- h. Documentation of each of Respondent's potential partner's relevant experience and an explanation of the additional value the partner (s) add to the team, as detailed immediately above;
- i. Demonstrated commitment to comply with the City's Equal Opportunity Contracting Program;
- j. Demonstrated ability to secure project funding, including a list of current funding partners, type of funding, amounts, term, purpose etc.;
- k. Detailed strategy for effective marketing, leasing, operation and maintenance of the facility or housing.
- l. Listing of references and contact information for other completed or ongoing projects similar in scope and size to the proposed project.

Respondent may attach letters of support from investors, funders and community partners.

## REQUIRED ATTACHMENTS

To ensure the respondent is qualified to receive and expend federal funds, please include the following documents in your submittal:

1. Organization Chart: Entire Agency
2. Organization Chart: Division/Section responsible for the proposed project
3. Federal Tax-Exempt Letter of Determination (if not applicable, please explain why)
4. California Tax-Exempt State Letter of Determination (if not applicable, please explain why)
5. Articles of Incorporation
6. Audited Financial Statements for the most recently completed Fiscal Year. (If the most recent annual statements are more than six months old, submit an interim statement.)
7. Single Audit or Program-Specific Audit (if not applicable, please explain why)
8. Federal Audit Clearinghouse Screenshot
9. System for Award Management Screenshot
10. California Secretary of State Business Search Database Screenshot
11. California Attorney General's Registry of Charitable Trust Screenshot

Details regarding these required attachments can be found in Index 1 of this RFP.

## **SELECTION CRITERIA**

In addition to achieving the program goals and objectives, the City will evaluate each proposal according to the criteria described below, taking into account the information provided in the proposal, references and any other information about the Respondent team and its performance available to the City. Proposals that are not complete or do not conform to the requirements of this RFP may not be considered.

### SCORING

Proposals will be evaluated across the following areas and assigned points up to the following maximum point amounts for each evaluation category:

Criteria	Maximum Possible Points
<b>Project Feasibility and Timeline</b>	20
<b>Anticipated Impact</b>	25
<b>Verbal Presentation</b>	10
<b>Organizational Financial Capacity and Demonstrated Leveraged Funding</b>	25
<b>Organizational Experience with Similar Projects</b>	20
<b>Total</b>	100

### CRITERIA

In order to provide more clarity on the evaluation criteria, below is a guide to the criteria that will be used to evaluate Respondents and their proposals:

### Proposed Program and Timeline

1. Strength, creativity, and feasibility of the overall program and business model.
2. Demonstrated experience working with low- and moderate-income communities and populations.
3. Project consistency with CDBG program national objectives.
4. Level of and strategies to support environmental sustainability

### Community Impacts

1. Level of potential economic impact to the immediate community and economic impact dollars to be created.
2. Extent and level of engagement regarding workforce development, employment placement and educational opportunities.
3. Extent and level of engagement regarding affordable housing opportunities and placement.
4. Level of integration/synergy of the project with the immediate neighborhood (both businesses and residents), from both physical and economic development perspectives.

### Verbal Presentation

1. Maximum of 15 minutes per proposal: 10 minutes for a formal presentation and 5 minutes for fielding questions from the CPAB.
2. Formal presentation must cover: summary of proposal; strengths of any partnerships and implementation strategy.
3. A Microsoft PowerPoint slide deck may be used; however, it must be provided to City staff by close of business Wednesday, February 6, 2019 for distribution to the CPAB;
4. Handouts are not permitted; and
5. Knowledgeable representatives from the Respondent and each partner (if applicable) must be present.

### Financial Capacity and Demonstrated Leveraged Funding

1. Respondent's financial resources and business acumen
2. Experience in receiving and managing grants and loan funds, specifically Community Development Block Grant program funds.
3. Demonstrated ability to secure independent project funding and sponsorships, including current relationships with major private lenders, philanthropy, and academia.
4. Demonstrated ability to timely expend funds and implement programs.
5. Level of funding that can be raised and invested in the proposed project in addition to the City funds.

### Organizational Experience

1. Quality of information submitted in response to the RFP
2. Credentials of the Respondent team, both lead and partners relevant professional experience, business acumen, level and depth of professional network, such as universities, investors, technology organizations, youth and veteran services, industry groups etc.
3. Evaluation of past projects and performance



4. Past experience in public-private partnerships
5. Real estate asset management experience
6. Demonstrated commitment to comply with the City's Equal Opportunity Contracting Program and Conflict of Interest Code

#### **PRE-SUBMITTAL INFORMATIONAL MEETING**

A pre-submittal informational meeting will be provided for potential RFP Respondents and allow Respondents to ask questions. The informational meeting will be held after the regularly scheduled Consolidated Plan Advisory Board meeting in January 2019.

Date: Wednesday, January **16**, 2019

Time: 10:30 am (PST)

City of San Diego

San Diego Civic Concourse, North Terrace Rooms

202 "C" Street

San Diego, California, 92101

#### **RFP CONDITIONS, TERMS & LIMITATIONS**

By submitting its Proposal, each respondent authorizes the City of San Diego to contact any and all other persons identified in its Proposal or in any inquiry conducted by or on behalf of the City of San Diego and to obtain the release of pertinent financial and other information, as well as to obtain verification of the information provided by each Respondent.

The City of San Diego will not be responsible for any costs incurred by any respondent for work performed in the preparation and production of a Proposal, including any requests for additional information, interviews or negotiations; nor for any work performed prior to written authorization from the City of San Diego to proceed. All proposals submitted will become the property of the City of San Diego.

Refer to the table below for a listing and description of the supporting documents to be included as part of your organization’s Request for Proposals (RFP) response. Email [CDBG@sandiego.gov](mailto:CDBG@sandiego.gov) with any questions.

#	Document	Description	Applicability
1	Organization Chart: Entire Agency	Shows the organization’s general structure in terms of span of control and chain of command. If a subrecipient has offices in different locations, the chart for the office administering the CDBG-funded project should be provided. The chart needs only list the position titles (the incumbents’ names are not necessary). <b>PURPOSE:</b> City staff will be looking to see that the subrecipient has capacity to successfully implement the CDBG-funded project and that there is sufficient separation of duties to implement proper procurement accounting controls (e.g., the same person does not create and approve a purchase order).	Required
2	Organization Chart: Division/Section	Shows the specific programmatic and fiscal groups within the organization charged with implementing the CDBG-funded project. The chart needs only list the position titles (the incumbents’ names are not necessary). <b>PURPOSE:</b> City staff will be looking to see that the subrecipient has capacity to successfully implement the CDBG-funded project and that there is sufficient separation of duties to implement procurement accounting controls (e.g., the same person does not create and approve a purchase order).	Required
3	Federal Tax-Exempt Letter of Determination	Refers to a document issued by the federal Internal Revenue Service indicating the request of the subrecipient for nonprofit status recognition. <b>PURPOSE:</b> Verifies the organization’s status as a 501(c)(3) prior to the execution of the CDBG agreement. Will be used by the City to set up the vendor profile of the subrecipient.	If Applicable
4	California Tax-Exempt Letter of Determination	Refers to a document issued by the California Franchise Tax Board indicating the request of the subrecipient for nonprofit status recognition. An ‘Entity Status Letter’ is not a substitute for the tax-exempt status determination letter. <b>PURPOSE:</b> Verifies the organization’s status as a nonprofit entity prior to the execution of the CDBG agreement. Will be used by the City to set up the vendor profile of the subrecipient.	If Applicable
5	Articles of Incorporation	Refers to a document filed by nonprofit organizations with the Secretary of State that outlines the name of the organization, its corporate structure, its purpose, and the contact information and establishes the organization as a legally recognized entity. <b>PURPOSE:</b> Verifies the official existence of the organization and allows the City to determine if the length of existence of the organization is sufficient to meet City requirements.	Required
6	Audited Financial Statements	Refers to the subrecipient’s audited financial statements submitted as part of the Request for Proposals (RFP). <b>PURPOSE:</b> Allows the City to determine the financial capacity of the subrecipient to receive CDBG funds on a reimbursement basis.	Required
7	Single or Program-Specific Audit	Refers to the subrecipient’s single or program-specific audit submitted as part of the Request for Proposals (RFP). <b>PURPOSE:</b> Allows the City to determine the subrecipient’s compliance with 2 CFR 200 requirements for entities that have received federal funding.	If Applicable

#	Document	Description	Applicability
8	Federal Audit Clearinghouse Screenshot	Refers to proof of submission of a subrecipient’s latest single or program-specific audit as specified by 2 CFR 200. <b>PURPOSE:</b> Allows the City to determine the subrecipient’s compliance with 2 CFR 200 requirements for entities that have received federal funding.	Required
9	System for Award Management Screenshot	Refers to a screenshot from <a href="http://www.sam.gov">www.sam.gov</a> showing: (1) the applicant organization’s registration is currently ‘Active’ and (2) the expiration date of the ‘Active’ status. <b>PURPOSE:</b> Allows the City to determine that the applicant organization meets the federal requirement that all organizations recipient of federal funds be registered with <a href="http://www.sam.gov">www.sam.gov</a> .	Required
10	California Secretary of State Business Search Database Screenshot	Refers to a screenshot from the California Secretary of State Business Search database showing: (1) the applicant organization has an ‘Active’ status; (2) the registration date; (3) the entity type; and (4) the entity number. <b>PURPOSE:</b> Allows the City to determine that the applicant organization is in good standing with the state of California, is officially recognized by the same, and is authorized to carry out its business activities.	Required
11	California Attorney General’s Registry of Charitable Trusts Screenshot	Refers to a screenshot from the California Attorney General’s Registry of Charitable Trusts showing: (1) the applicant organization has a ‘Current’ registration status; (2) the renewal due date; (3) and the registration number and corporate/organization number. <b>PURPOSE:</b> Allows the City to determine that the applicant organization is in good standing with the state of California.	Required