



**RESPONSE TO PRE-SUBMITTAL QUESTION REGARDING RFP FOR A FUND  
MANAGER TO MANAGE A DOUBLE BOTTOM LINE INVESTMENT FUND**

POSTED TO CIVIC SAN DIEGO WEBSITE ON JANUARY 18, 2018

Note – some questions have been abridged

**1. QUESTION:** In the RFP, CivicSD is defined as the Affiliate and the Affiliate is defined as the Special Member. The Special Member receives a portion of the Management Fees and a portion of the carried interest, if any. How much cash equity will the Special Member/Affiliate/CivicSD have co-invested in the Fund??

**RESPONSE:** The proposed fee structure is intended to provide modest compensation to the Special Member in exchange for the value added services to increase deal flow and manage social returns of the Fund. Such services are anticipated to include managing the contract with the Fund Manager; facilitating deal sourcing through Civic San Diego's linkages and networks with community groups, public agencies and the local development industry; assisting projects through the entitlement and permitting process as needed, and monitoring and reporting on Fund performance (economic and social criteria) to ensure that the investor objectives and investment criteria are met. It is anticipated that staff for Civic San Diego will perform these services on behalf of the Special Member through a reimbursement agreement with the Special Member.

Civic San Diego or an affiliate may also make a modest direct investment into the Fund. Such investment may be made on the same terms as other investors with an equivalent compensation structure or the investment may provide credit enhancement (such as through a first loss position) and the compensation structure may be different to reflect the higher risk profile. Any investment will be subject to negotiation with the Fund Manager and other investors and subject to board approval.