



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

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Note – some questions have been abridged

**1. QUESTION:** Why is the search being conducted?

**RESPONSE:** The purpose of the Smart Growth Fund is to help address a lack of supply of affordable housing in the San Diego region by helping to facilitate the development of middle-income housing. The search is being conducted to engage a fund manager with a proven track record of investing capital for similar double bottom-line funds or market rate funds. The goal of the Fund Manager will be to achieve reasonable market rate risk adjusted equity returns commensurate with the goals of the fund. The Fund Manager will have sole responsibility for all investment decisions, with input from Civic San Diego as the Special Member to the fund. The Fund Manager will also work with Civic San Diego to develop and implement a fund capitalization strategy for the successful closing and execution of the fund.

**2. QUESTION:** Does the organization currently work with an investment consultant/advisor? If so, will they be invited to submit a proposal?

**RESPONSE:** Civic San Diego has engaged legal counsel to advise and assist staff with completing an updated market assessment to confirm demand for the fund, developing the management and fee structure for the fund, and forming and capitalizing the fund. The advisor will not be invited to submit a proposal for the Fund Manager RFP.

**3. QUESTION:** What time frame does the organization expect to review proposals, select finalists, interview finalists and make a final selection?

**RESPONSE:** The amount of time to review the proposals and make a final selection is uncertain as it will depend in part on the breadth of the responses received.

**4. QUESTION:** What is the expected contract duration for the fund manager?

**RESPONSE:** The term of the contract with the Fund Manager is anticipated to be up to ten years, and can be extended to facilitate the realization of investments for up to three one-year periods by the Fund Manager.

**5. QUESTION:** I know that the private capital real estate equity fund is expected to be in the \$30 million to \$50 million range and I wanted to see if the organization will consider expanding the fund beyond that investment size?

**RESPONSE:** Civic San Diego may consider expanding the size and/or scope of the fund, subject to negotiation with the Fund Manager and investors. Civic San Diego may also consider recapitalizing the fund or forming additional similar complimentary funds based on market conditions and investor appetite.