



# Request for Proposals

**Underwriter and Project Review for South Baltimore  
Gateway Partnership Community Development Fund**

**Issue Date:** 07-14-2023

**Submission Deadline:** 5pm on 08-04-2023

**Email To:** [procurement@sbgpartnership.org](mailto:procurement@sbgpartnership.org)

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## 1. Overview

### Purpose

SBGP will establish a \$3.5 million Community Development Fund (the “Fund” or “CDF”), opening in Summer 2023 and continuing through the end of 2025. \$1.5 million of these funds were authorized in FY23, \$1 million will become available in FY24, and the final \$1 million will become available in FY25. After that, if the project has proven successful, the Board may elect to provide additional funding for future years.

The Fund will support catalytic real estate investments that neither the private market, nor the existing sources of public or private subsidy, are likely to provide. These include:

1. Compelling opportunities (emerging projects or acquisition projects) that lack the early-stage predevelopment funds required to become eligible for traditional project financing; and
2. Late-stage (shovel ready) projects that are languishing as they seek to close a final funding gap.

Funds will be invested in projects meeting the following criteria:

1. Strategic Value. The project must further the SBGP Strategic Plan by:
  - a. Supporting existing SBGP projects, programs, and priorities;
  - b. Attracting investment into an SBGP community facing chronic disinvestment; and/or
  - c. Adding affordability to a wealthy SBGP community with high quality amenities.
2. Feasibility. The project must either:
  - a. Be an emerging project about to begin concept and pre-development activities where SBGP funds will support:
    - i. A reliable leadership team, and
    - ii. A project for which SBGP believes its funding will improve the likelihood of securing future funding.
  - b. Be an acquisition for which SBGP believes its funding will either:
    - i. allow the grantee to secure future funding, or
    - ii. support positive community development even if the likelihood of using the acquisition to secure future funding is not obvious.
  - c. Be a shovel ready project about to begin construction for which SBGP believes its funding will allow construction to begin with the support of:
    - i. A fully engaged construction project team, and
    - ii. The immediate local community impacted by the project.

These funds will be available in the form of grants to nonprofit organizations. The grant funds can be:

1. Forgiven in the event of good faith efforts by the development team to advance the project, or;
2. Recaptured with additional payment in the event of a windfall success by the development team.

This RFP seeks proposals to provide underwriting capacity and overall fund process management (not including financial management) of the Fund.

SBGP will hold an optional virtual RFP conference on Monday, July 24 at 11:30 A.M. Email [nfriedlander@sbgpartnership.org](mailto:nfriedlander@sbgpartnership.org) by Friday, July 21 at 5:00 P.M. for a link to the virtual meeting.

## **Background**

In 2015, Baltimore adopted the South Baltimore Gateway Master Plan, a sweeping plan to improve neighborhoods near the Horseshoe Casino. The City then began to implement this plan, with the advice of the Local Development Council (LDC) and funding provided by the Local Impact Grants generated by video lottery terminals.

It soon became clear that another organization was also needed to help spend these funds – something that could be flexible, nimble, and entrepreneurial. In 2016, the South Baltimore Gateway Partnership was established. Now the City and the Partnership split Baltimore’s share of the Local Impact Grants.

While SBGP has a now seven-year history of local project support, leadership, and community development the Board has determined that there remain substantial gaps in the direct project funding system that SBGP could address. To support that objective, they have allocated up to \$3.5M over the next three fiscal years for the creation of a grant fund specifically geared to support the projects described. These grants will be distinct from SBGP’s existing community grants program but would leverage the strength of existing community groups, developer relationships and the strong and growing interest in the South Baltimore neighborhoods.

## **2. Request for Proposals**

### **2.1 Enquiries**

All enquiries related to this RFP are to be directed, in writing, to Neal Friedlander, Community Development Fund Senior Manager of the South Baltimore Gateway Partnership at [procurement@sbgpartnership.org](mailto:procurement@sbgpartnership.org). Information obtained from any other source is not official and should not be relied upon.

### **2.2 Closing Date**

All submissions must be made electronically to [procurement@sbgpartnership.org](mailto:procurement@sbgpartnership.org), in PDF or Microsoft Word format, by **5:00 PM on Friday, August 4, 2023**. Hard copies will not be accepted. Responses must include a cover page clearly marked with the name, address, phone number, and email of the respondent.

### **2.3 Late Responses**

Late responses will not be accepted and will be returned to the responder with a letter of explanation.

## **2.4 Review and Selection**

Qualifications will be reviewed by SBGP staff. The reviewer(s) will check responses against the criteria listed below. Responses not meeting the criteria will not be considered for review. Respondents meeting the criteria may be contacted for subsequent interview(s) prior to final selection.

The goal of all SBGP contracting and procurement is to ensure the best use of public funds to serve the public good by fulfilling SBGP's mission while adhering to the highest standards of professional and ethical behavior. SBGP is committed to ensuring that all funds entrusted to the entity are appropriately allocated using fair, ethical, equitable, responsible, and transparent practices that demonstrate integrity.

These values guide all SBGP conduct and decision making related to procurements, bids/estimates for goods and services, agreements, contracts, and related forms of commitments.

## **2.5 Acceptance of Responses**

This RFP is not a binding agreement to purchase goods or services. Responses to an RFP are assessed in light of the qualification review criteria. Depending upon the volume of responses, SBGP may develop a shortlist of responders for subsequent interviews prior to making a final selection.

## **3. Services**

Qualified respondents will be expected to provide the following, with the precise details to be detailed in a subsequent written contract(s).

- SBGP expects to need 20 -25 complete underwritings per year and will perform an initial screening to weed out nonresponsive or ineligible applications.
- Provide staff support to SBGP up to and including a full underwriting of project feasibility, sponsor capacity and overall mission impact (See Exhibit A for more information).
- Specific underwriting requirements will be based on a grant-making policy still under development. The selected respondent will be expected to provide advice and support on the development of the specifics of that policy. Draft underwriting process and criteria are attached as Exhibit A.
- Provide these services for at least the next three years consistent with the current program commitments.
- Be available on an hourly basis to provide post-closing project review services for impact evaluation, process improvement and other portfolio services as needed.

## **4. Qualifications and Evaluation Criteria**

The ideal proposal will:

- Propose a specific price per underwriting performed, plus an hourly rate for ad-hoc services as described.

- Provide specific information about the experience of the respondent in providing similar services, either to other clients or as a part of their own underwriting practice (if for example the respondent is an active lender/grantor).
- Demonstrate the ability to provide any necessary management, oversight, or project review of ongoing projects and relationships.
- Demonstrate either specific local experience or capacity to serve, with the advice and support of SBGP staff, as a well-informed local expert, rather than relying only on purely quantitative, publicly available underwriting metrics.

Preference is given to proposals with:

- Local staff in Baltimore
- Local ownership or non-profit leadership familiar with Baltimore
- Existing underwriting experience with Baltimore generally or SBGP communities specifically

Applicants need not be, but may include, active Community Development Finance Institutions (CDFI) or other community-based lenders in Baltimore or with Baltimore experience. Applicants may include for-profit consultancies specializing in community development finance and underwriting.

## **5. Submission Requirements**

Please include:

- A. A specific proposal, responding specifically to the evaluation criteria listed above.
- B. A narrative describing the qualifications of your firm or team, responding specifically to the evaluation criteria listed above.
- C. Examples of similar past projects.
- D. Resumes of key team members and firm profiles.
- E. A disclosure of any actual, potential, or perceived conflicts of interest (see below).

## **6. Equal Opportunity**

SBGP will not discriminate in its procurement with respect to race, ethnicity, religion, gender, sexual orientation, national origin, marital status, age, disability, or any other characteristic protected by law.

SBGP does reserve the right to select, from among a pool of qualified proposals, the one that best provides an opportunity to further its mission through Impact Investment.

## **7. MBE/WBE Goals**

Any contracts totaling \$50,000 or higher (including a reasonable estimate of hourly fees incurred) must comply with Article 5, Subtitle 28 of the Baltimore City Code (2007 Edition) regarding participation by Minority Business Enterprises (“MBE”) and Women's Business Enterprises (“WBE”) (collectively, “Certified Business Enterprises” or “CBEs”) in the execution of the services under this RFP. The selected applicant must use all

reasonable good faith efforts to meet any Baltimore City-certified MBE and WBE participation goals that are established for this project, which will not be more than:

MBE Goal: 27%

WBE Goal: 10%

These goals, if applicable may be met through subcontracting, and if intended, must be described in the proposal with subcontractors identified.

Note: Because minor variations in the number of applications received or the number of hours worked could increase the cost of this work, applicants who expect their final contract cost to be close to \$50,000 should either (a) comply with MBE/WBE goals or (b) provide a not to exceed price under \$50,000.

## **8. Conflict of Interest**

SBGP is a public body operating within a tightly defined geographic boundary, with a large board of directors and a wide range of project partners across the private, public, and non-profit sectors. As a result, it is common for participants in one SBGP project to overlap with, or have personal or professional relationships with, participants in another SBGP project. While this is generally a benefit to the communities involved, it introduces the possibility of conflicts of interest.

SBGP takes seriously its role to avoid actual, potential, or perceived conflicts of interest. The respondent should disclose any such conflicts of interest, in writing. The reviewer(s) will consider the nature of the respondent's responsibilities and the degree of potential or apparent conflict in deciding the course of action that the respondent needs to take to remedy the conflict of interest.

## **9. Limitations**

SBGP reserves the right to select the respondent of its choosing, to reject all responses, or to terminate this request at any time. SBGP may issue a new request, extend the deadline, or make other good faith efforts to expand the applicant pool if the market for goods or services is limited. If the selected firm or team fails to perform adequately during the application phase, or that grantor rules require it, SBGP reserves the right to select a new firm or team for the implementation phase.

Neither this request, nor any proposals provided in response to it, constitute a contract between SBGP and the applicant(s). Selection by SBGP does not guarantee that the parties will successfully negotiate or execute a contract, and final scope or contract details may vary from the description contained herein.

Applicants who are not successful may request a meeting to debrief about the selection process. SBGP documents created or used during the selection process, including any score cards, notes, emails, memos, or other written materials, are internal materials and will not be made available.

Late proposals, or proposals that are not fully responsive to the requirements listed herein, will be disqualified.

Exhibit A –  
Underwriting Process and Requirements  
7/14/2023

The Community Development Fund (CDF) of the South Baltimore Gateway Partnership (SBGP) will fund real estate development projects in the South Baltimore Gateway District by providing grants to nonprofit organizations who are part of the project team. While proposals may include reasonable staffing or overhead costs as part of their budget, pure operating support grants will not be considered.

To proceed to underwriting, the project must either:

- a. Be an acquisition for which SBGP believes its funding will either:
  - i. allow the grantee to secure future funding; or
  - ii. support positive community development even if the likelihood of using the acquisition to secure future funding is not obvious.
- b. Be an emerging project about to begin concept and predevelopment activities, where SBGP funds will support:
  - i. a reliable project team; and
  - ii. a project for which SBGP believes its funding will improve the likelihood of securing future funding.
- c. Be a shovel ready project about to begin construction for which SBGP believes its funding will allow construction to begin with the support of:
  - i. a fully engaged construction project team; and
  - ii. the immediate local community impacted by the project.

SBGP is a careful steward of public funds and takes seriously its obligation to make thoughtful, informed decisions about its expenditures. That said, SBGP is not a bank or an investor whose ultimate aim is to seek a financial return. In making grants through the CDF, SBGP's primary goal is to achieve its community development mission, and its primary risk is that the funds will not achieve that outcome.

The underwriting and the decision making process for the CDF is designed to help SBGP evaluate (a) how strategically valuable the project will be in achieving SBGP's mission, and (b) how likely the project is to be successfully achieved, with the understanding that SBGP will be evaluating projects in challenging conditions that the broader market may not be willing to consider. Thus, projects with higher strategic value may have lower feasibility, and vice versa. SBGP is seeking to build a portfolio of projects that strike an appropriate balance between these factors to achieve meaningful and measurable change in its District.

The underwriting and decision-making process will include several steps:

- 1. Interested parties will submit an application via a web portal to be created and administered by SBGP.
- 2. The application will start with a collection of basic information, such as



Notes	Type
Name	Text
Contact Email	Email
Contact Phone Number	Phone Number
Organization	Text
Neighborhood	Text
Organization Start Date	Year
Organizational Financials	Upload
Developer Partner	Text
Project Name	Text
Project Address	Address Fields
Project Projected Total Cost	Number
Type of funding/project category requested	Drop-down Selection
Requested Amount	Number
Projected Impact of Project	Long Text Input

3. Each application must also include either (a) letter (s) of support from the neighborhood association(s) where the project will take place, or (b) a written explanation of why providing such letters would violate the confidentiality necessary for the real estate transaction to take place. The following guidelines for such letters of support include:

- i. an applicant may not submit a letter on its own behalf.
- ii. if multiple organizations with slightly different missions work in one neighborhood, then SBGP's preference is to receive a letter from the one whose mission relates most directly to the project (or an explanation of why this is not appropriate or possible).
- iii. if multiple organizations with similar missions work in one neighborhood, then SBGP's preference is to receive one letter from each (or an explanation of why this is not appropriate or possible).
- iv. if the applicant is itself a community organization in the neighborhood, then it must get a letter of support from either another community organization working in the neighborhood, a local institution (such as a church or school), or a respected community leader who is not part of the applicant's leadership.
- v. even if an applicant is not soliciting a letter of support from a community organization, SBGP strongly recommends that the applicant inform the organization of its application for the sake of transparency.
- vi. if the project appears to lack meaningful community backing, or if other questions emerge during the review process, SBGP may request that the applicant provide additional letters of support.

4. Each application will be reviewed first by SBGP staff to filter out nonresponsive and/or ineligible proposals (e.g., applications for nonprofits to renovate their office, applications by for-profit businesses, etc.). Staff will then share viable proposals with the underwriter.

5. Depending upon into which funding category the project falls, the application will collect different information.

a. If applicant selects the emerging project option:

SBGP will want to understand aspects of the project that make it likely to secure future funding, including its strategic value (which may attract funders) and the capacity of its leadership team to translate this value into funding.

The underwriting process will necessarily balance SBGP's desire for the best possible information about a project and SBGP's desire to aggressively support early projects (which inherently provide less than perfect answers) with high leverage. The product for individual assessment reports from the underwriter might be a scorecard clarifying how much potential the project has.

Specific Information to be collected includes:

Notes
Project Description
Project Projected Impacts
Project Predevelopment Timeline (Planned)
Project Predevelopment Budget (Sources and Uses – FOR PREDEV PERIOD)
For PREDEV Sources, any supporting information or commitments
Other financing parties' commitments or information for full project
Project Construction Financing Budget (Prospective – FOR CONSTRUCTION PERIOD)
Organizational Capacity Description
Organizational Financial Information
Organizational Leadership Description
Community Support information
Partnership information

b. If applicant selects shovel ready project about to begin construction:

SBGP will want to understand aspects of the project that affirm its dollars will enable construction to begin effective immediately. This will include questions seeking evidence of all other forms of funding as well as permitting and entitlements. SBGP will also accept on an ad-hoc basis requests for funding commitments earlier in the project development process and may be willing to pledge future funds conditioned on the project achieving certain milestones

that make it more shovel ready make commitments, but the strong preference is to be 'last-dollar-in' for this category of funding.

Specific Information to be collected includes:

Notes
Project Description
Project Projected Impacts
Project Construction Financing Budget
Organizational Capacity Description
Organizational Financial Information
Organizational Leadership Description
Community Support information
Partnership information
Financing approvals from other parties
Grant awards letters, commitments etc.
Construction and Constructability Information (including all third party reports)
Permitting Status
Any regulatory clearances (Zoning etc)
Project Proforma operating budget, if applicable
Market information (rents, sales, preleasing etc)

c. If applicant identifies the project as an acquisition:

SBGP will want to understand aspects of the project likely to secure future funding OR aspects of the project which offer substantive community benefit (even if the economics are unclear). This funding category is designed to help applicants acquire properties of high strategic value. While ideally this would take place in the context of an emerging development project, it can also happen opportunistically - such as when a high-priority property suddenly becomes available, requiring immediate action. In this latter case, underwriting must help determine the substantive community benefit that justifies prompt acquisition in advance of other decision making.

Specific information to be collected should include all the same as other early-stage projects as well as a summary of acquisition status, including copies of any executed purchase option or contract.

6. In the event that the information provided in the initial application is insufficient, the under-

writer shall request more information, copying SBGP staff on all communications.

7. Once initial information is collected, the underwriter will work with SBGP staff, but primarily is responsible for delivery of the initial underwriting package (in a form to be developed by SBGP and underwriter collectively). The underwriter is expected to independently ask any questions necessary to complete the preparation of an underwriting package. If a site tour is necessary for the underwriter to understand the project, they shall request one.
8. The underwriter will work with SBGP to finalize the underwriting package, which will take the form of a write-up, potentially an impact scoresheet and final recommendation for review and approval by the SBGP Strategic Planning Committee and/or SBGP Board. Underwriter will not be expected to attend or present their conclusions to the Board members and will be largely internal support for lead SBGP staff in the approval process.