Anchor Institution Initiative
Community Investment
Request for Qualification (RFQ)
December 18, 2020

UCSF pledges to leverage our business operations to advance economic security and opportunity in under-resourced communities to expressly aid in improving health equity by committing to the anchor institution framework (anchor.ucsf.edu). Through strategically and thoughtfully leveraging our business operations, UCSF will strengthen our overall impact on health equity by adding our economic strength – alongside the excellence of our research, education and patient care missions – to the tools we employ to improve health and health outcomes.

The goal of the UCSF Anchor Institution Initiative is to collaborate with community partners to increase the economic security and opportunity for under-resourced populations in San Francisco Bay Area by leveraging UCSF’s workforce development, procurement and community investment resources.

In advancing the goal: 1) efforts will focus on geographic communities surrounding UCSF campuses, especially those most economically under-resourced; and 2) UCSF will seek to leverage its economic resources, aligning strategically with local partners, toward economic equity.

This Request for Qualifications (RFQ) is specific to the community investment component of the Anchor Institution Initiative. The Community Investment Subcommittee of the initiative is charged to guide the development of a Regental policy exception that allows for UCSF to execute a three-year pilot program that aims to increase available lendable capital in San Francisco’s under-resourced communities, through financial intermediaries, to advance anchor goals. This enables $5 million in unrestricted cash and equivalents to be placed in certain community investments via financial intermediaries. The impact of a community investment will be determined on its ability (alone or as part of a pooled investment) to advance economic security and stability in under-resourced communities.

Investment awards will be made in the amount of $1 million to $2 million per application for use over a three-year timeframe. No more than three investment awards will be made.
We are committed to learning from organizations that receive the investment loan and understanding how the process works for our partners. For this purpose, we will ask you to keep records of basic metrics about the program and to be available for interviews. Ideally, leaders of firms and organizations to whom you lend these funds will also be available for such interviews. By submitting this RFQ, you agree to participate in an evaluation on which we will partner with you.

**Investment Performance Objectives**

The following criteria, based on the goals of the initiative, shall be applied upon initial RFQ consideration.

The shortage of capital for businesses and other organizations serving under-resourced communities is a long-term and systemic problem, but it has taken on increased urgency and particular characteristics during the pandemic. Therefore, in this pilot investment program, consideration will be placed on serving those most impacted by COVID-19 and the ensuing economic downturn.

Long-standing systemic health and social inequities have put many people from racial and ethnic minority groups at increased risk of getting sick and dying from COVID-19. The term “racial and ethnic minority groups” includes people of color with a wide variety of backgrounds and experiences. But some experiences are common to many people within these groups, and social determinants of health have historically prevented them from having fair opportunities for economic, physical, and emotional health.

There is increasing evidence that some racial and ethnic minority groups are being disproportionately affected by COVID-19 (such as Latinx, African American, Native American and Pacific Islander populations to name a few) Inequities in the social determinants of health, such as poverty and healthcare access, affecting these groups are interrelated and influence a wide range of health and quality-of-life outcomes and risks. To achieve health equity, barriers must be removed so that everyone has a fair opportunity to be as healthy as possible.

In these difficult circumstances, many of the organizations that address these barriers need grant funds to directly spend on operations and direct aid. This particular effort, however, is a pilot in social investment, necessitating repayment of the principal and a modest return, so it **should not be interpreted as a grant or forgivable loan program**. The loan recipients can be for-profit or nonprofit entities, regular businesses or social enterprises, but they should all be in a position to address the goals of the initiative and generate the resources to ensure repayment of the investment after no more than three years.

**Financial Criteria**

During a three-year pilot program, the critical financial outcomes the pilot program needs to achieve are:

- Repayment of principal 3 years upon receiving investment award
Minimum financial return equivalent to the current University of California Office of the President’s (UCOP) Short Term Investment Pool (STIP) annual interest rate of 1-2 percent.

Social Criteria

1. **Issue/Impact Areas**
   Investments will target one or more of the identified communities and economic factors that are known to impact health equity. Priority areas include (not an exhaustive list):
   - Preservation and growth of small businesses and the commercial buildings in which they operate
   - Housing preservation and maintaining its affordability
   - Workforce development and support

2. **Demographics**
   The priority is to directly reach enterprises which serve and support under-resourced populations and communities adversely impacted by economic, health, social and racial inequities. As you respond to the RFQ questions, please consider including the following priorities of this initiative:
   - Partner organizations should demonstrate a racial equity lens by describing their staff, management and board compositions, and lending track record.
   - Proposals should identify whether these funds will be used for existing programs, and the track record of these programs in addressing issues through a racial equity lens.
   - Proposals should identify how these funds will be used to innovate in terms of products and services provided while maintaining a racial equity lens.
   - Proposals should identify how the selected lenders will partner with organizations in the local communities to develop the capacity of local businesses as part of this work.

3. **Geographic Focus**
   This opportunity applies to the San Francisco Bay Area, with efforts to focus on geographic communities surrounding UCSF campuses, including UCSF Benioff Children’s Hospital in Oakland. UCSF Fresno may be added in the near future.

**RFQ Guideline and Qualification Questions**

Proposal narratives should be a maximum of five pages and include the following information. You may include references to other documents or websites, but please **do not exceed the five-page limit for the narrative itself**.

1. Name, address, contact information and primary contact person for this proposal. Please provide links to the biographies of the key personnel who would guide this project.
2. Organization business overview
   a. Organizational mission
      i. Elaborate on your organization’s experience serving under-
         resourced communities in the San Francisco Bay area. Describe
         the scale, history and record of achievements as a lender in the
         San Francisco Bay Area.
      ii. Include a list of existing investments
   b. Provide an overview of how your current loan program or programs work
      and what loans are currently in place in our geographic area of interest.
      ➢ What is the process for lending / investing funds, e.g., how potential
        loan recipients are evaluated, approval process, etc.)
      ➢ What is size of current investment portfolio?
      ➢ What is the makeup of the investments?
      ➢ What is the average loan (if applicable) dollar value?
      ➢ What is collection rate over last 3 years?
      ➢ What is the operating cost allocation?
      ➢ Please include your most recent audited financial statements and year-
         end financials

3. As part of this new partnership with UCSF, and based on what you know so far,
   what kind of loan programs do you envision being expanded, or newly
   established and carried out?
   o Given the goals of the RFQ, how do you see your organization taking
     advantage of the opportunity with an existing, modified or new program?
     ➢ In what ways do you envision using the funding?
     ➢ What would be the parameters of these loans (number, size range of
       loans)
     ➢ How would the lending address gaps in the market and lead to better
       outcomes for the initiative’s priority populations?

Proposal Submission Timeline

RFQ issued: December 18, 2020
Information Session: 3-4pm, January 7, 2021
RFQ Due Date: COB February 3rd, 2021
Funding decisions will be decided and announced: March 4, 2021

We encourage you to participate in the Information Session to learn more about this
opportunity. To RSVP, please email Raquel Barajas at Raquel.Barajas@ucsf.edu by
January 5. If you are unable to attend the Information Session and have questions,
please contact Wylie.Liu@ucsf.edu and/or Raquel.Barajas@ucsf.edu.