



## Board Report

File #: 2025-0324, File Type: Contract

Agenda Number: 14.

### PLANNING AND PROGRAMMING COMMITTEE MAY 14, 2025

**SUBJECT: TRANSIT ORIENTED COMMUNITIES ECONOMIC DEVELOPMENT PROGRAM  
PILOT INVESTMENT FUND PROGRAM ADMINISTRATOR**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to award a firm fixed price Contract No. PS122552000 to Vermont Slauson - LDC, Inc. for the administration of the Transit Oriented Communities Economic Development Program (EDP) Pilot Investment Fund (Fund) in the amount of \$1,370,495 for the three-year base term, \$310,740 for the first option year, and \$253,745 for the second option year, for a total combined contract amount of \$1,934,980, effective June 1, 2025, subject to the resolution of any properly submitted protest(s), if any.

#### **ISSUE**

In response to direction from the Metro Board of Directors via a series of motions from 2015 to 2021 (Attachment A) to strengthen small business support and prevent displacement near transit, Metro developed the Transit Oriented Communities Economic Development Program (EDP), including the Pilot Investment Fund (Fund) which the Board approved December 1, 2022. The EDP consists of two components, station area activation and the Pilot Investment Fund (Fund). The station area activation component of the EDP has progressed with grant agreements for Station Managers at the three pilot stations Leimert Park, Westlake/MacArthur Park, and Willowbrook/Rosa Parks, program management plans, and program launch scheduled in June 2025. Metro now plans to implement the Fund component of the EDP to assist small businesses and eligible nonprofit organizations.

The Fund is designed to leverage Metro's significant transit infrastructure investment and serve as an economic catalyst for Equity Focused Communities (EFCs). It partners with other agencies and private financial institutions for additional resources and requires a community development financial institution (CDFI) for program administration. To successfully structure, launch, and administer the Fund, Metro conducted a competitive solicitation seeking a qualified CDFI. CDFIs are mission-driven lenders dedicated to expanding economic opportunity in communities underserved by traditional financial institutions.

Board approval is required to select the recommended CDFI as the Fund Program Administrator to help finalize the program guidelines prior to returning to the Board and implementing the Fund. This

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action is a critical next step to establish the Fund and ensure timely deployment of resources that will protect, strengthen, and grow small businesses in these communities, mitigating displacement and helping these communities thrive alongside Metro's transit investments.

## **BACKGROUND**

The EDP builds on a history of Board-supported efforts to assist small businesses impacted by transit projects. In August 2016, the Board approved \$1 million for the Small Business Assistance Loan Program. However, uptake of that program was limited due to restrictive lending parameters. As the COVID-19 pandemic unfolded, Metro quickly partnered with the Los Angeles County Development Authority to create the COVID-19 Recovery Loan Program in May 2020, reallocating \$1 million from the Small Business Assistance Loan Program to help struggling businesses. Repayment proceeds up to \$853,000 from the Recovery Loan Program are now reserved to help fund administrative costs for the EDP Pilot Investment Fund.

Throughout 2021 and 2022, Metro staff engaged in an extensive process to redesign and modernize its small business support programs to better meet community needs. This included sponsoring two economic development roundtable discussions, conducting outreach meetings, and interviewing more than 100 stakeholders from financial institutions, community-based organizations, small business associations, economic development corporations, and public sector agencies. The feedback from these conversations directly informed the structure of the Fund and Metro's broader, innovative, and more sustainable approach to post-construction small business support.

The Board approved the EDP and \$5 million for the implementation of the Fund on December 1, 2022, contingent upon Board approval of the Fund Guidelines. The Fund Service Area (FSA) also approved by this Board action includes a half-mile radius of the K Line (formerly Crenshaw/LAX Line) and the Little Tokyo segment of the A/E Line. To leverage Metro's \$5 million loan seed funding, Metro has entered into an Agreement with the California Pollution Control Financing Authority (CPCFA) securing an additional \$15 million in resources through the State Small Business Credit Initiative (SSBCI) to assist socially and economically disadvantaged individuals (SEDI) and business enterprises.

## **DISCUSSION**

Access to capital remains a persistent barrier for small businesses, especially those owned by Black, Indigenous, Latino(a), Asian American, Pacific Islander, and other historically underserved groups. These communities, disproportionately impacted by the COVID-19 pandemic and economic disinvestment, are now at a pivotal moment as Metro expands rail service. Without immediate, targeted intervention, these businesses risk permanent displacement, undermining community stability, cultural heritage, and the intended benefits of Metro's transit investments.

Selection of the Fund Program Administrator is a critical step in advancing the agency's commitment to stabilizing and strengthening small businesses and nonprofit organizations in historically underserved communities near our transit corridors. With federal investment in equity programs slowing and economic markets becoming increasingly volatile, the need for Metro to take proactive, locally-driven steps to foster economic resiliency has never been more urgent.

The Fund will provide: 1) technical assistance and access to capital with favorable terms, 2) access to private equity financing to fund startups, early-stage, and emerging companies, and 3) a pipeline to sustainability and growth for small businesses and nonprofits with a social enterprise. A social enterprise is an organization or venture (within an organization) that advances a social mission through market-based strategies. By supporting these businesses, the Fund also supports Metro's goals to create vibrant, culturally rich, and economically sustainable station areas that increase ridership and community confidence in our transit investments.

Metro released a highly specialized Request for Proposals to identify a Program Administrator for the Fund, prioritizing expertise in lending, outreach, technical assistance, and deep community ties within the FSAs. The EDP Fund Program Administrator contract is structured to include a three-year base contract with two, one-year options to be exercised at Metro's discretion. The base contract includes internal and external stakeholder engagement, Fund set-up, program administration, and close-out. The program administrator is responsible for meeting the five tasks described below.

**Task 1 - Program Administration:** meet resource requirements, including personnel and the infrastructure to administer the Fund. Deliverables include the Personnel Plan, Infrastructure Framework, Fund Administrative Guidelines, Disbursement Agreement, and the Review and Dispute Process.

**Task 2 - Fund Implementation and Tracking:** process business eligibility by developing a timeline for evaluation, underwriting loan applications, ongoing monitoring, and loan payment guidance. Deliverables include administering the Fund account, providing match requirements, developing standard operating procedures, and completing the End of the Loan Origination Period Report.

**Task 3 - Technical Assistance and Marketing Plan:** provide in-house technical assistance to eligible small businesses and nonprofit organizations to secure Fund resources and offer referral services to businesses denied or approved, including but not limited to service providers CPCFA, IBANK, Go Biz, Small Business Development Centers (SBDC), Financial Development Corporations, L.A. County Department of Economic Opportunity, the economic development departments of local jurisdictions, discounted utility services, and marketing resources. Deliverables include a Marketing Plan and Technical Assistance Services Summary and Execution Plan.

**Task 4 - Fund Reporting and Auditing:** provide progress reports commensurate with the Loan Approval Committee frequency, summary reports, quarterly reports, and an annual report to Metro's Project Manager. Respond to annual and Office of the Inspector General audits that may occur from time to time.

**Task 5 - Fund Close-Out Plan:** develop a Fund Close-Out Plan that identifies the processes for closing out the Fund when all loan repayments have been received and illustrate longevity to service loans throughout extended terms required for real estate acquisition loans.

The proposed Program Administrator, Vermont Slauson Local Development Corporation (VSLDC),

brings decades of mission-aligned experience to this effort. VSLDC is a certified CDFI located in South Los Angeles only 1.5 miles east of the K Line. VSLDC's current service area includes most of the K Line portion of the FSA except for a small southwest portion. To meet contract requirements, this area and Little Tokyo will be incorporated for all program activities. VSLDC is also partnering with, Mega Bank, a Minority Depository Institution (MDI), to perform commercial real estate loans in the FSA. Their model integrates tailored technical assistance, proactive marketing, culturally competent outreach, and financial products designed specifically for the challenges faced by businesses within the FSAs.

Approving this recommendation will position Metro as a leader in equitable transit-oriented development, while also leveraging additional private and public sector resources to amplify its impact. Given the increasing challenges small businesses face, compounded by macroeconomic uncertainty, it is imperative that Metro acts swiftly and thoughtfully. The EDP Fund represents a meaningful, actionable response, one that honors the resilience of our communities and helps ensure that Metro's investments uplift the neighborhoods we serve.

### **DETERMINATION OF SAFETY IMPACT**

There is no direct safety impact associated with the recommended action.

### **FINANCIAL IMPACT**

Since this is a multi-year contract, the Cost Center Manager and Project Manager will be responsible for allocating budget for the overall expenditure across subsequent years until project completion, including any options exercised. Up to \$853,000 in repayment proceeds from the COVID-19 Recovery Loan Program is also designated for program administration.

#### **Impact to Budget**

To initiate program administration, funds for this contract in the amount of \$1,000,000 have been requested in the FY26 budget (Cost Center 4530, Project 610026, Economic Development, Account 50316). Future funding obligations will be included in annual budget preparation by TOC staff.

The funding for this contract is General Funds. These funds are eligible for Metro bus and rail capital and operating expenditures.

### **EQUITY PLATFORM**

The Fund has the potential to positively impact over 200 small, legacy and locally owned businesses, nonprofit organizations with social enterprises, the surrounding community, and transit riders located within 1/2 mile of the K Line and the Little Tokyo segment of the A/E Line. These lines traverse through EFCs in South Los Angeles and Little Tokyo. Business ownership is diverse and reflective of the local community. This action will ensure funds are available to secure a certified CDFI to administer and market the Fund.

The Diversity & Economic Opportunity Department did not recommend a Small Business/Disabled Veteran Business Enterprise (SBE/DVBE) participation goal for this procurement due to the lack of

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certified firms that perform these services (Attachment B). A total of 101 downloads of the RFP were included in the planholders list. A virtual pre-proposal conference was held on April 22, 2024, and was attended by four participants representing four firms (Attachment C).

### **VEHICLE MILES TRAVELED OUTCOME**

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.\* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment activities that will benefit transit oriented communities and further encourage transit ridership, ridesharing, and active transportation. This fund will support businesses that are located within walking distance of the A/E and K Lines and will provide Metro's riders and local residents with opportunities to access goods and services without using a car. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

\*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

These recommendations support Vision 2028 Strategic Plan Goals 3 and 4. The EDP and the Fund are grounded in enhancing communities and lives through mobility and access to opportunity (Strategic Goal 3) by working with economic development stakeholders to leverage the public transportation system to create a safe and pleasant environment to access transit and increase transit ridership by facilitating commercial revitalization, stimulating private investment, and supporting the preservation and growth of small businesses near transit. Additionally, the need for transforming LA County through regional collaboration and national leadership (Strategic Goal 4) is greater than ever with the anticipation of the World Cup and Olympics. Metro is well-positioned to partner with LA County jurisdictions to create a national model for supporting small businesses in underrepresented communities by leveraging transportation assets to spur revitalization, enhance the ridership experience, and address safety concerns.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve the Program Administrator for the EDP Fund. Staff does not recommend this action. This recommendation helps carry out a Board-approved program in furtherance of Metro's Equity Platform and Strategic Goals. With rising inflation, increasing rents, and the lack of access to capital, the consequences of non-action include the potential displacement of small, BIPOC, legacy businesses renting along the proposed corridors, and disinvestment in the communities surrounding Metro's multibillion-dollar transit investment.

**NEXT STEPS**

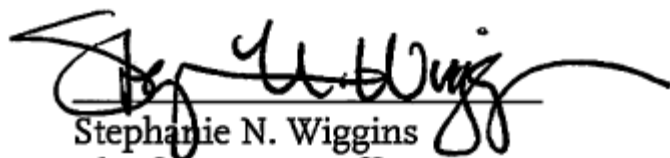
Upon Board approval, staff will execute Contract No. PS122552000 with Vermont Slauson - LDC, Inc. for the Transit Oriented Communities Economic Development Program Pilot Investment Fund Program Administrator and return to the Board with program guidelines later this calendar year, marketing and launching the program in 2026.

**ATTACHMENTS**

Attachment A - Metro Board Motions  
Attachment B - DEOD Summary  
Attachment C - Procurement Summary

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Chief Executive Officer

## Metro



## Board Report

File #: 2015-1479, File Type: Motion / Motion Response

Agenda Number: 58.

**REGULAR BOARD MEETING  
SEPTEMBER 27, 2015**

**Motion by:**

**Ridley-Thomas, Garcetti, Dupont-Walker and Kuehl**

September 27, 2015

**Relating to Item 58, File ID 2015-1088;  
IMPLEMENTATION OF AFFORDABLE HOUSING AND BUSINESS LOAN FUNDS**

In March 2015, the Metropolitan Transportation Authority (Metro) Board of Directors (Board) directed the Chief Executive Officer to negotiate the terms and conditions for Metro's participation in a multi-partner Countywide Transit-Oriented Affordable Housing and Business Loan Fund (Proposed Fund). The purpose of the Proposed Fund was to promote development and preservation of affordable housing and small businesses within a half-mile of Metro rail stations, bus rapid transit or rapid bus stops.

Staff has engaged members of the community development and finance communities in exploring potential formats for the Proposed Fund with an emphasis on transit oriented communities. While the residential and commercial purposes of the Proposed Fund are synergistic, their administration, approach and objectives are materially different, therefore necessitating two separate funding frameworks.

With regard to the Affordable Housing Loan Fund, staff has identified a consortium led by the California Community Foundation and Low Income Investment Fund that has the local experience, depth of potential investor interest and deep experience in creating and implementing housing investment funds to meet the Board's objectives for this investment. The consortium has committed to securing over \$60 million to match Metro's \$10 million commitment in order to meaningfully capitalize the loan fund.

With regard to the Business Loan Fund, staff has reached out to a number of impacted stakeholders, and has indicators that a potential comprehensive package of loan products requires additional consideration. However, staff has identified an immediate and critical gap in available funding for commercial tenant improvements both as a component of mixed-use affordable housing projects and in small, free standing commercial properties in close proximity to transit facilities, but the challenge extends to community-based retail tenants within one and one-half mile of transit corridors. With

regard to ground floor retail in mixed-use affordable housing projects, a study by the City of Los Angeles indicated that nearly 20% of the City of LA's funded affordable housing projects have vacancies, with most of these vacancies concentrated in underserved neighborhoods. In addition, Metro affordable housing joint developments have chronic vacancies at Hollywood and Western, Westlake MacArthur Park, 1<sup>st</sup> and Boyle, and Del Mar Stations. Providing grants to support the establishment of local, small businesses within projects such as these can support local economic development initiatives and promote job creation while lowering the risks of displacement and contributing to the revitalization of transit-oriented communities.

**MOTION by Ridley-Thomas, Garcetti, Dupont-Walker and Kuehl** directing the Chief Executive Officer to move forward with implementation of Affordable Housing and Business Loan Funds as follows:

- A. Engage the consortium led by California Community Foundation and Low Income Investment Fund to negotiate terms and conditions, in a multi-partner Countywide Transit-Oriented Affordable Housing Loan Fund to support the production and preservation of transit-oriented affordable housing (including mixed use projects) that leverages Metro's financial contribution, as previously approved by the Board in March 2015, and return to the Board for approval of the final terms and conditions;
- B. Design a pilot Countywide Transit-Oriented Small Business Loan Fund program to provide financing under favorable terms for commercial tenant improvements within transit adjacent, mixed use (including affordable housing) or commercial projects with particular emphasis on tenant improvements for local small businesses, with priority for ones that have been operating in the community for at least 5 years. Should Metro be unable to administer the loan fund internally, the agency should contract with an external administrator with relevant expertise (e.g. community development financial institutions, banks, the Community Development Commission, or small business centers);
- C. Continue research and engagement with community development financial institutions, municipalities, private sector banks, regional economic development corporations, and other interested parties on the potential expansion of the Countywide Transit-Oriented Small Business Loan Fund program to include a variety of financial products and report back within 120 days;
- D. For purposes of furthering the above described objectives, amend the budget to initially allocate \$500,000 of the previously-committed funding for the Affordable Housing and Business Loan Fund to the pilot Countywide Transit-Oriented Small Business Loan Fund, to be dispersed over the next two fiscal years, and be administered by the Office of Management and Budget and the Diversity & Economic Opportunity Department, in coordination with the Office of Countywide Planning and Development; and
- E. Provide a quarterly written update to the Board on the status, implementation and impacts of both Loan Fund programs.



# Metro



## Board Report

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**File #:** 2020-0307, **File Type:** Motion / Motion Response

**Agenda Number:** 43.

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**REGULAR BOARD MEETING  
APRIL 23, 2020**

**Motion by:**

**DIRECTORS RIDLEY-THOMAS, KUEHL, BUTTS, GARCETTI, and  
DUPONT-WALKER**

**Assistance to Transit-Oriented Businesses in Response to COVID-19**

On August 25, 2016, Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors approved the Transit-Oriented Communities (TOC) Small Business Program, allocating \$1,000,000 in loan funding for tenant improvements to ground floor retail spaces in affordable housing projects near High Quality Transit Nodes.

The purpose of the TOC Small Business Program was to provide low-interest, flexible loans to support small businesses that are located close to public transit. The TOC Small Business Program funding has been allocated to the Los Angeles County Development Authority (LACDA), to administer the program on behalf of Metro. However, to date, there has been limited interest in the fund, with \$853,000 still available.

In response to the COVID-19 pandemic and resulting economic impacts locally, the LACDA has established a Business Recovery Loan Program (Loan Program) to provide immediate relief to small businesses. This Loan Program, initially funded with \$3,000,000 from the Economic Development Administration, was created to provide flexible borrowing options for Los Angeles County business owners to enable them to remain viable until the economy reopens. There is significant demand for the Loan Program, with over 800 businesses expressing interest in securing a loan within 24 hours of the launch of the Program.

Repurposing the TOC Small Business Program into a TOC Business Recovery Loan Program could provide a critical and timely tool to sustain small businesses located close to transit, which are struggling to survive the COVID-19 economic crisis. The repurposing of these funds also advances Metro's continued partnership with other governmental entities and community-based organizations to support LA County residents and business owners facing hardships due to the COVID-19 pandemic.

**SUBJECT: ASSISTANCE TO TRANSIT-ORIENTED BUSINESSES IN RESPONSE TO COVID-19****RECOMMENDATION**

APPROVE Motion by Directors Ridley-Thomas, Kuehl, Butts, Garcetti, and Dupont-Walker:

Directing the Chief Executive Officer to negotiate and execute amendments to the agreement with the Los Angeles County Development Authority (LACDA) to reallocate up to \$853,000 of the TOC Small Business Program funds to implement a TOC COVID-19 Business Recovery Loan Program with the following components:

1. Restrict the funds to businesses within Los Angeles County that are within 1/4 mile of a Major Transit Stop as defined by California Public Resources Code Section 21064.3, which may be amended from time to time;
2. Require the loans funded with Metro funds be subject to the following requirements:
  - a. Each below-market interest loan will not exceed \$20,000 and will cover operating expenses for a qualifying small business with up to 25 full time employees;
  - b. Each loan will have a 5-year term with repayment of principal and interest deferred for the first 12 months;
  - c. There will be no loan origination fee and no collateral required; and
  - d. Each recipient must have been in continuous operation for not less than 24 months prior to the COVID-19 crisis and have demonstrated a negative financial impact due to the COVID-19 crisis.
3. Limit LACDA's administrative costs to no more than \$37,000; and
4. Metro staff will provide an update to the Board of Directors in writing within 6 months of Board Approval regarding the impact of the TOC COVID-19 Business Recovery Loan Program.

**AMENDMENT**

**Board Meeting**

April 22, 2020

**Item 43: Assistance to Transit-Oriented Businesses in  
Response to COVID-19**

WE FURTHER MOVE that the Board direct the CEO to:

1. Ensure that any Metro funding added to the LA County Business Recovery Loan Program will be repaid back to Metro and retained for the Transit Oriented Communities Small Business Program;
2. Work with LACDA to ensure geographic distribution of Metro funds across subregions; and
3. Report back to the Planning & Programming Committee in 120 days with recommendations for improvements to the Transit Oriented Communities Small Business Program, including but not limited to guideline revisions to make funding easier for small businesses to access.

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## Metro

## Board Report

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File #: 2020-0910, File Type: Motion / Motion Response

Agenda Number: 49.

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**REVISED**  
**EXECUTIVE MANAGEMENT COMMITTEE**  
**JANUARY 21, 2021**

**Motion by:**

**DIRECTORS GARCETTI, KUEHL, SOLIS, AND KREKORIAN**

Metro Small-Scale Retail

Services and retail offered at transportation hubs support a robust and attractive system. Retail activity as part of the transportation experience can increase safety, support communities, and directly create economic opportunities. Metro staff presented the Concessions Study Report to the Board in 2014 which found that Metro could realize more than \$800,000 per year in net revenue with a system-wide concession program. With the ongoing financial crisis from COVID-19, Metro needs to evaluate all options for increasing revenue.

Since 2014, Metro's portfolio of projects has expanded, including Active Transportation and Bus Rapid Transit Corridors. These types of projects have more interfaces with local rights-of-way than traditional bus stops or rail stations, resulting in more complex relationships between Metro and local jurisdictions. Metro's potential opportunities for concessions may be broader now than several years ago and could include equity-informed community partnerships or business cases started through Unsolicited Proposals.

**SUBJECT: METRO SMALL-SCALE RETAIL**

**RECOMMENDATION**

APPROVE Motion by Directors Garcetti, Kuehl, Solis, and Krekorian as amended that the Board direct the CEO to:

- A. Revisit the findings of the Jones Lang LaSalle Concessions Program Concept for Metro Owned Facilities report dated June 28, 2013 and develop an assessment of needs to establish a small-scale retail program that supports small and disadvantaged businesses, and microentrepreneurs, including context-sensitive community partnerships, in Metro's current portfolio of projects.

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**Amendment by Dupont-Walker:** Include opportunities to complement and partner with the Transit-Oriented Communities Small Business Program, which is currently being updated by Countywide Planning.

B. Form a working group to determine opportunities and next steps for advancing this work.

C. Report back to EMC with an update in 90 days.

DEOD SUMMARY

TRANSIT ORIENTED COMMUNITIES ECONOMIC DEVELOPMENT PROGRAM  
PILOT INVESTMENT FUND PROGRAM ADMINISTRATOR / PS122552000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE)/Disabled Veteran Business Enterprise (DVBE) participation goal for this procurement due to the lack of availability of certified firms that perform this service. Vermont Slauson – LDC, Inc. listed three non-certified firms to perform the services of this contract.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**C. Prevailing Wage Applicability**

Prevailing Wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**PROCUREMENT SUMMARY**

**TRANSIT ORIENTED COMMUNITIES ECONOMIC DEVELOPMENT PROGRAM  
PILOT INVESTMENT FUND PROGRAM ADMINISTATOR / PS122552000**

1.	<b>Contract Number:</b> PS122552000	
2.	<b>Recommended Vendor:</b> Vermont Slauson – LDC, Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP–A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. <b>Issued:</b> April 4, 2024	
	B. <b>Advertised/Publicized:</b> April 4, 2024	
	C. <b>Pre-Proposal Conference:</b> April 22, 2024	
	D. <b>Proposals Due:</b> August 5, 2024	
	E. <b>Pre-Qualification Completed:</b> March 12, 2025	
	F. <b>Ethics Declaration Forms submitted to Ethics:</b> October 9, 2024	
	G. <b>Protest Period End Date:</b> April 22, 2025	
5.	<b>Solicitations Downloaded:</b> 101	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Marc Margoni	<b>Telephone Number:</b> (213) 922-1304
7.	<b>Project Manager:</b> Michelle Banks-Ordone	<b>Telephone Number:</b> (213) 547-4375

**A. Procurement Background**

This Board Action is to approve Contract No. PS122552000 to provide administration of the Transit Oriented Communities Economic Development Program (EDP) Pilot Investment Fund. The Board approved Pilot Program Fund Service Area (FSA) includes a half-mile radius of the K Line (formerly Crenshaw/LAX Line) and the Little Tokyo segment of the A/E Line. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

Request for Proposal (RFP) No. PS122552 was issued in accordance with Metro’s Acquisition Policy and the contract type is a firm fixed price. The Diversity & Economic Opportunity Department did not recommend a Small Business/Disabled Veteran Business Enterprise (SBE/DVBE) participation goal for this procurement due to the lack of certified firms that perform these services.

Five (5) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on April 9, 2024, updated the time for the virtual pre-proposal conference.
- Amendment No. 2, issued on May 30, 2024, extended the proposal due date from June 4, 2024 to July 8, 2024.

- Amendment No. 3, issued on June 24, 2024, added a supplemental Q&A session on July 1, 2024, and extended the proposal due date from July 8, 2024 to July 22, 2024.
- Amendment No. 4, issued on June 26, 2024, extended the time for the virtual Q&A session.
- Amendment No. 5, issued on July 22, 2024, extended the proposal due date from July 22, 2024 to August 5, 2024.

A total of 101 downloads of the RFP were included in the planholders list. A virtual pre-proposal conference was held on April 22, 2024, and was attended by four participants representing four firms. There were 25 questions received for this RFP and responses were provided prior to the proposal due date.

A total of three proposals were received on August 5, 2024, and are listed below in alphabetical order.

1. Business Consortium Fund, Inc. (BCF)
2. PACE Finance Corporation (PFC)
3. Vermont Slauson – LDC, Inc.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from the Office of Equity and Race, Countywide Planning and Development, and Treasury, was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria:

Phase I – Minimum Requirements and Preferences Checklist: This is a pass/fail criteria. To be responsive, the proposer must meet the following:

- Provide evidence that the proposing firm is a Certified Community Development Financial Institution (CDFI).
- Acknowledge that Board approval of the program guidelines is a condition precedent to disbursing funds for the EDP Pilot Investment Fund.
- Provide a narrative describing CDFI knowledge and level of participation as a financial institution in the CPCFA California Capital Access Program (CalCAP) and the Collateral Support program.
- Provide a narrative of familiarity with IBANK Financial Development Corporations (FDCs) to provide loan guarantees through the California Small Business Credit Initiative.
- Provide a narrative that describes the CDFI's ability to guarantee that all lending and technical assistance under this award is within the Fund Service Area only.
- Provide a narrative that the CDFI is committed to transparency and audit activities.



All three proposers met the Minimum Requirements and Preferences Checklist review and were further evaluated based on the following Phase II – Criteria for Evaluation:

- Professional Experience 25%
- Personnel Qualifications and Management Plan 15%
- Approach and Methodology 30%
- Cost 25%
- Optional Matching Funds 5%

Several factors were considered when developing these weights, giving the greatest importance to approach and methodology.

From October 16, 2024, through January 6, 2025, the PET independently evaluated and scored the technical proposals. The evaluation period was delayed due to an unforeseen leave of absence. At the conclusion of the evaluation, the PET determined Vermont Slauson – LDC, Inc. to be the top ranked firm.

### **Qualifications Summary of Firms:**

#### Vermont Slauson – LDC, Inc.

Vermont Slauson LDC, Inc.'s (VSLDC) parent organization, Vermont Slauson Economic Development Corporation (VSEDC), a nonprofit 501(c)(4) corporation, was founded in 1981 as a citizen advisory committee by Marva Smith-Bey and former City of Los Angeles Mayor Tom Bradley. VSEDC's primary mission is to facilitate community development and the revitalization of South Los Angeles and neighboring communities. VSEDC created VSLDC as a 501(c)(3) nonprofit in 1983 to manage grants and contracts, with VSLDC achieving CDFI certification as a loan fund in 2018.

VSLDC's experience and program methodology demonstrated a strong understanding of the objective of Metro's Transit Oriented Communities Economic Development Program (EDP) Pilot Investment Fund (Fund) and an ability to establish and administer the Fund. VSLDC will partner with a Minority Depository Institution to administer the Fund. Collectively since 2020, they have originated 29 loans totaling \$28.3 million to small businesses and real estate projects either within the K Line and Little Tokyo FSAs or within zip codes that contain portions of the FSAs. VSLDC is headquartered along the Slauson Avenue corridor in the heart of South Los Angeles, only 1.5 miles east of the K Line FSA.

#### PACE Finance Corporation (PFC)

PACE Finance Corporation (PFC), a certified Community Development Financial Institution (CDFI), fosters community development by supporting low-income, social and economically disadvantaged, Black, Indigenous and other people of color-owned small businesses in Los Angeles County. Both PACE (Parent organization) and PFC

are approved as CalCap lenders for the Small Business Program. Since 2013, PACE/PFC has provided 86 loans in total of nearly \$3 million. PFC's principal place of business is Los Angeles, California.

PFC's proposal, although well-written, presented descriptions as general narratives. Short and concise information areas did not provide the nexus to the scope of services needed to understand the vision for administering the Pilot Investment Fund.

Business Consortium Fund, Inc.

Business Consortium Fund, Inc. (BCF) was established in 1987 in partnership with the National Minority Supplier Development Council to provide technical assistance and capital to minority business enterprises (MBEs). The disadvantaged businesses serviced by BCF face the same challenges of opportunity and capital faced by businesses located in the FSA. Currently, BCF has 56 active loans totaling \$4.1 million to MBEs that had limited access to capital. BCF's principal place of business is New York City, New York.

BCF demonstrated experience and a track record for developing investment funds and leading programs; however, BCF has not conducted outreach or provided loans in the FSA. They are out-of-state and did not demonstrate first-hand knowledge of the FSA.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Vermont Slauson – LDC, Inc.</b>				
3	Professional Experience	93.32	25.00%	23.33	
4	Personnel Qualifications and Management Plan	90.00	15.00%	13.50	
5	Approach and Methodology	90.00	30.00%	27.00	
6	Cost	100.00	25.00%	25.00	
7	Optional Matching Funds	100.00	5.00%	5.00	
8	<b>Total</b>		<b>100.00%</b>	<b>93.83</b>	<b>1</b>
9	<b>PACE Finance Corporation</b>				
10	Professional Experience	86.00	25.00%	21.50	
11	Personnel Qualifications and Management Plan	75.33	15.00%	11.30	
12	Approach and Methodology	83.33	30.00%	25.00	
13	Cost	60.00	25.00%	15.00	
14	Optional Matching Funds	100.00	5.00%	5.00	

<b>15</b>	<b>Total</b>		<b>100.00%</b>	<b>77.80</b>	<b>2</b>
<b>16</b>	<b>Business Consortium Fund, Inc.</b>				
<b>17</b>	Professional Experience	88.67	25.00%	22.17	
<b>18</b>	Personnel Qualifications and Management Plan	84.00	15.00%	12.60	
<b>19</b>	Approach and Methodology	86.67	30.00%	26.00	
<b>20</b>	Cost	39.40	25.00%	9.85	
<b>21</b>	Optional Matching Funds	100.00	5.00%	5.00	
<b>22</b>	<b>Total</b>		<b>100.00%</b>	<b>75.62</b>	<b>3</b>

**C. Price Analysis**

The recommended price has been determined to be fair and reasonable based upon adequate price competition, an Independent Cost Estimate (ICE), price analysis, technical analysis, and negotiations. Staff successfully negotiated cost savings of \$64,745.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
1.	Vermont Slauson – LDC, Inc.	\$1,999,725	\$1,818,467	\$1,934,980
2.	PACE Finance Corporation	\$3,333,320		
3.	Business Consortium Fund, Inc.	\$5,075,381		

**D. Background on Recommended Contractor**

Vermont Slauson - LDC, Inc., located in Los Angeles, CA has been in business since 1983 and has been providing comprehensive technical assistance to women, minority, and other underserved, low-to-medium income small business owners in South Los Angeles, including the Crenshaw Metro rail corridor and Little Tokyo Metro rail station’s surrounding corridor. Under contract with both the City and County of Los Angeles, Vermont Slauson - LDC, Inc. has established a robust suite of programs and counseling to support the establishment and growth of small businesses with the goal of fostering economic development through entrepreneurship and the creation of generational wealth.