

LADF

LOS ANGELES DEVELOPMENT FUND

Meeting *of the*
Governing Board of Directors and
Advisory Board of Directors

The Los Angeles Development Fund
and
LADF Management, Inc.

November 13, 2024

MEETING of the
GOVERNING BOARD OF DIRECTORS and ADVISORY BOARD OF DIRECTORS of
THE LOS ANGELES DEVELOPMENT FUND and LADF MANAGEMENT, INC.

November 13, 2024

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 - October 8, 2024
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 - JEDI Zone Microloan Program Servicer Selection Memo

Tab 1

A G E N D A

**MEETING of the
GOVERNING BOARD OF DIRECTORS and ADVISORY BOARD OF DIRECTORS of
THE LOS ANGELES DEVELOPMENT FUND and LADF MANAGEMENT, INC.**

HYBRID MEETING

To Join in Person: City Hall, Room 1060 | 200 N Spring St, Los Angeles, CA 90012

To Join via Zoom: Dial (669) 444-9171 US | Meeting ID: 861 9648 2492

Wednesday, November 13, 2024 | 2:30-4:00 pm

	AGENDA ITEM	PRESENTER	TAB
	Welcome and Call to Order	Carolyn Hull	
	Roll Call	Sandra Rahimi	
	Public Comment	Carolyn Hull	
1	Approval of Minutes for Board Meeting(s) on:	Carolyn Hull	
	a. October 8, 2024		Tab 2
2	Discussion Items	Sandra Rahimi	
	a. LADF Pipeline for the CY2024-2025 NMTC Allocation Application		Tab 3
	b. JEDI Zone Micro Loan Program RFP Proposals Review		Tab 4
	c. Governing Board Attendance at NMTC Conference		
3	Action Items	Sandra Rahimi	
	a. Request for authorization for LADF President, or her designee, to submit an application requesting up to \$75mm NMTC Allocation in the CY2024-2025 round NMTC Allocation Application at the rates and terms presented in previous applications, and approval of the sample pipeline to be included in the application		
	b. Request authorization for LADF staff to begin negotiations on final terms with Pacific Asian Consortium Employment (PACE). Final contract terms will be presented to the Board for approval before execution		
4	Future Agenda Items		
	a. LADF Employee Annual Performance Review		
	B. Final Approval of the Food Access LA Project		
5	Next Meeting Date and Time of Governing Board		
	a. Thursday, December 12, 2024, 2:30-4:00 pm		
	Public Comment	Carolyn Hull	
	Adjournment	Carolyn Hull	

The LADF's Board Meetings are open to the public. Accommodations such as sign language interpretation and translation services can be provided upon 72 hours notice. Contact LADF @ (213) 808-8959. **PUBLIC COMMENT AT LADF BOARD MEETINGS** – An opportunity for the public to address the Board will be provided at the conclusion of the agenda. Members of the public who wish to speak on any item are requested to identify themselves and indicate on which agenda item they wish to speak. The Board will provide an opportunity for the public to speak for a maximum of three (3) minutes, unless granted additional time at the discretion of the Board. Testimony shall be limited in content to matters which are listed on this Agenda and within the subject matter jurisdiction of the LADF. The Board may not take any action on matters discussed during the public testimony period that are not listed on the agenda.

Tab 2

LOS ANGELES DEVELOPMENT FUND
MINUTES OF THE MEETING OF THE GOVERNING BOARD OF LADF AND LADF MANAGEMENT, INC.
Tuesday October 8, 2024

SPECIAL MEETING
City Hall, Room 1060 | 200 N Spring St, Los Angeles, CA 90012
To Join via Telephone: Dial (669) 444-9171 US | Meeting ID: 893 2951 3283

LADF STAFF PRESENT:

- Sandra Rahimi
- Christopher Chorebanian
- Jiaqi Wu

WELCOME AND CALL TO ORDER – Los Angeles Development Fund (LADF) Carolyn Hull called the meeting to order at 11:05am.

ROLL CALL

The following Governing Board directors were present at the meeting:

- Director Hull (Chairperson)
- Director Esparza
- Director Chavez
- Director Keane
- Director Kalfayan

A QUORUM WAS PRESENT

1. Approval of Minutes for Board Meeting(s) on:

a. September 12nd, 2024

- Moved by Director Kalfayan. Seconded by Director Keane.
- Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.

2. DISCUSSION ITEMS:

a. Introduction of newly appointed LADF Governing Board of Director: Tricia Keane

- Director Keane introduced herself to the remaining governing board and LADF team.

3. ACTION ITEMS

- a. **Request for Authorization of LADF staff to issue a Letter of Interest to project Food Access LA for providing up to \$6 Million of New Markets Tax Credit Allocation. LADF will have the option to rescind the Letter of Interest if the sponsor cannot provide evidence that all leverage sources are identified and committed by December 31, 2024. LADF will also have the option to rescind the Letter of Interest if the proposed transaction has not closed by January 15, 2025.**
 - Moved by Director Esparza. Seconded by Director Chavez.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- b. **Request for Authorization of LADF staff to issue a Letter of Interest to project Wadsworth Chapel at the West LA VA Campus for providing up to \$14.5 Million of New Markets Tax Credit Allocation. LADF will have the option to rescind the Letter of Interest if the sponsor cannot provide evidence that all leverage sources are identified and committed by July 15, 2025. LADF will also have the option to rescind the Letter of Interest if the proposed transaction has not closed by August 1, 2025.**
 - Moved by Director Chavez. Seconded by Director Kalfayan.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- c. **Request for Authorization of LADF staff to issue a Letter of Interest to project Neighborhood Legal Services of Los Angeles' Pacoima Justice & Job Center for providing up to \$14.5 Million of New Markets Tax Credit Allocation. LADF will have the option to rescind the Letter of Interest if the sponsor cannot provide evidence that all leverage sources are identified and committed by September 15, 2025. LADF will also have the option to rescind the Letter of Interest if the proposed transaction has not closed by October 1, 2025.**

- Moved by Director Kalfayan. Seconded by Director Chavez.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- d. Request for Approval of 2024 and 2025 LADF Budgets**
- Moved by Director Chavez. Seconded by Director Esparza.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- e. Request for approval for LADF staff members Sandra Rahimi, Christopher Chorebanian, and Jiaqi Wu to attend Novogradac's NMTC Conference in New Orleans from October 23 to 25, 2024**
- Moved by Director Chavez. Seconded by Director Esparza.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.
- f. Request authorization for LADF staff to (1) engage Novogradac to assist with drafting LADF's CY2024 NMTC Application, with a maximum contract cost of \$55,000; (2) engage Merrill Hoopengardner application review services, with a maximum contract cost of \$25,000; and (3) engage a third to-be-identified reviewer, with a maximum contract cost of \$25,000.**
- Moved by Director Chavez. Seconded by Director Esparza.
 - Roll Call: AYES: 3; NOS: 0; ABSENT: 2; ABSTAIN: 0; APPROVED.

CLOSED SESSION ITEMS:

- a. Update regarding SEED LA project [closed in April 2021 with \$5.3mm of LADF's NMTC Allocation]**
- Sandra Rahimi provided an update to the governing board regarding SEED LA's litigation matters.

REQUEST FOR FUTURE AGENDA ITEMS

- a. LADF Employee Annual Performance Review
- b. LADF Microloan Program RFP Proposals Review
- c. Governing board to attend NMTC Conference

PUBLIC COMMENT

- None.

ADJOURNMENT

- Meeting was adjourned at **12:18 pm**.

Tab 3

LADF

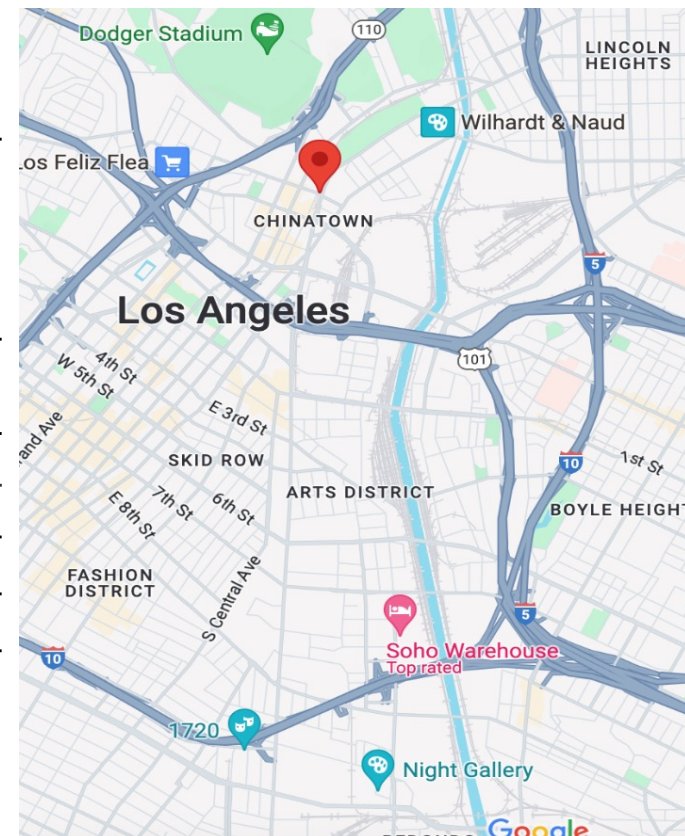
LOS ANGELES DEVELOPMENT FUND

APPLICATION PIPELINE PROFILES

LADF Board Meeting
November 2024

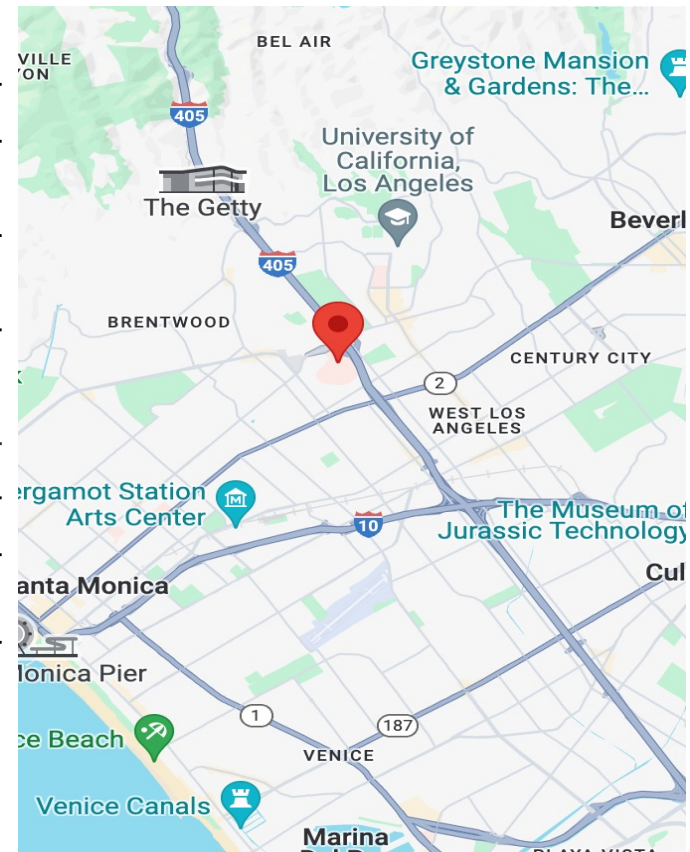
FOOD ACCESS LA

Developer:	Food Access LA		
Project Type:	Non-Real Estate; Working Capital; Retail/ Service		
Description:	<p>Food Access LA operates 8 farmers markets and provides healthy food and vendor education in low-income areas of Los Angeles. NMTC funding will enable Food Access LA to avoid closing two long-standing South LA markets by the end of September, expand market operations, enhance their EBT match program grow educational and vendor support initiatives, and establish strategic partnerships. Proposed NMTC transaction would fund a portion of the business (POB) of FALA representing 5 of their 8 farmers markets. All of the 5 markets in the POB are in low-income communities and 4 of the 5 are located in USDA-designated Food Deserts. Food Access LA also offers programs in nutrition education, urban agriculture, small food-business entrepreneurship, and an online ordering platform that enhances access to food assistance benefits.</p> <p>Their “Market Match” program allows those with EBT/SNAP to come to the market, use their EBT/SNAP, and get a cash match for use at the market (<i>up to \$10 currently; FALA’s goal is to increase to \$30 match</i>). Their “Urban Ag” program is focused on helping community members set up their own gardens and possibly become urban farmers/business owners. Their goal is to add 20 vendors per year to their farmers markets through the Urban Ag program.</p>		
Location and Census Tract Eligibility (2016-2020 ACS Poverty Rate / % of AMI / Unemp Rate):	<p>HQ Office [incl. in POB]: 1231 N. Spring St, Los Angeles, CA 90012 (CD 1) – 30% / 44% / 2.6x</p> <p>Farmers Markets included in the POB for the NMTC transaction [all in Severely Distressed CTs]:</p> <p>➤Central Ave – 4301 S Central Ave, Los Angeles, CA 90011 (CD 9) – 31% / 54% / 1.6x</p> <p>➤LA River – 1245 N Spring St, Los Angeles, CA 90012 (CD 1) – 30% / 44% / 2.6x</p> <p>➤Watts/Willowbrook – 1670 East 120th Street, Los Angeles, CA 90059 (L.A. County Unincorp.) – 12% / 67% / 2.0x</p>		
Estimated TDC & NMTC Allocation:	Budget:	\$ 12.5 million	Total QEI: \$ 12.5 million LADF QEI: \$ 6.0 million
Potential Sources of Funds:	1-Day Loan (<i>reimb. of prior expenses</i>)	\$ 8,600,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 3,900,000	
Projected Closing:	December 17, 2024		
Current Status:	➤ Currently On Closing Calls		
Community Benefits/Impact: (5 markets in the POB)	<p>➤ Job Creation: 33.6 FTEs Retained 3 FTEs Created (775 vendor jobs supported)</p> <p>➤ Number of People Served: 8,000 visitors/week (>50% low-income).</p> <p>➤ Small Businesses Supported: 225-300 vendors annually (>50% BIPOC-owned)</p>		



WADSWORTH CHAPEL

Developer:	U.S. VETS		
Project Type:	Renovation; Mental and Spiritual Wellness Center for veterans.		
Description:	The Wadsworth Chapel, the oldest building on Wilshire Boulevard, was built in 1902 and is located at the entrance of the West LA VA Campus. Damaged by an earthquake in 1971, it has been fenced off and is deteriorating. A transformative redevelopment is planned for the site as part of a broader initiative involving a consortium including U.S. VETS. Founded in 1996, U.S. VETS is a leading non-profit serving 20,000 homeless and at-risk veterans annually with housing, employment, and mental health services, and is redeveloping the West LA VA Campus to provide 1,200 housing units. This project aims to rehabilitate the 7,500 SF Wadsworth Chapel , which will become The Center for Spiritual Wellness & Moral Injury Recovery, operated by Volunteers of America (VOA). It will feature programs designed to alleviate veterans' emotional distress and homelessness, including a Moral Injury Recovery Program for 360 veterans annually and a non-denominational spiritual space hosting 250 events each year .		
Location:	11301 Wilshire Blvd, Los Angeles, CA 90073 (federal land within CD 11)		
Census Tract Eligibility (2016-20):	➤ 62.2% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 50.39% of Metro/State Median Income (<i>less than 80% and 60%</i>)		
Estimated TDC & NMTC Allocation:	Budget:	\$ 32 million	Total QEI: \$ 28.5 million LADF QEI: \$ 14.5 million
Potential Sources of Funds:	Capital Campaign, Historic Tax Credits (bridged), and 2023 CPF Grant from HUD		\$ 19,600,000
	NMTC Equity (\$0.80 / NMTC):		\$ 8,900,000
Projected Closing:	TBD		
Current Status:	➤ Project is on the Historic Register. CA State Historic Preservation Office (SHPO) approval anticipated by the end of 2024.		
Community Benefits/Impact:	➤ Job Creation: 10 Permanent & 60 part-time contractors – 150 Construction ➤ Mental & Spiritual Care for Veterans & Homeless Veterans – The project will serve 360 people per year on-site with its life-changing Moral Injury Recovery Programs (<i>historically the program has served >70% low-income, >60% homeless, 76% BIPOC</i>).		



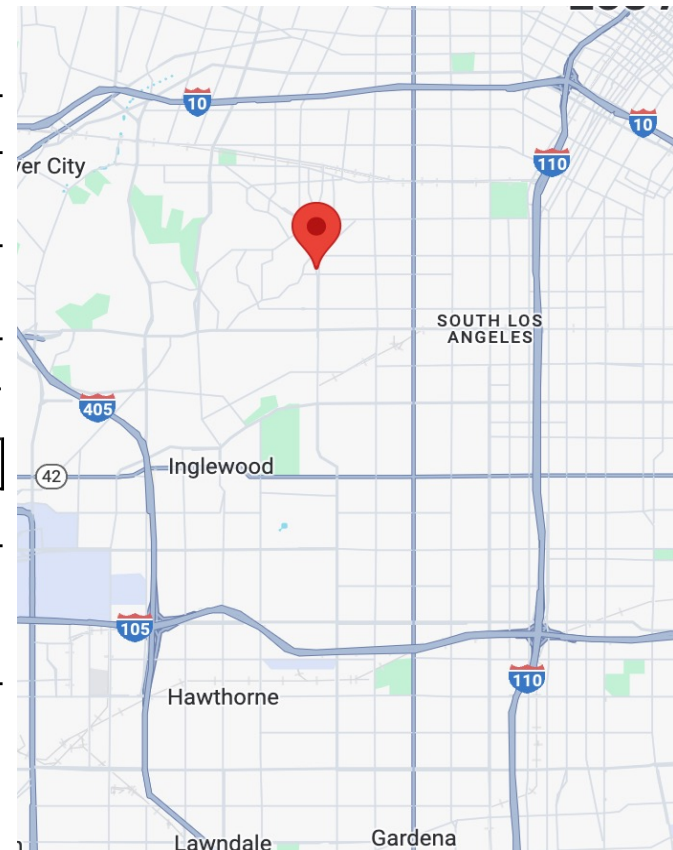
NLSLA JUSTICE CENTER

Developer:	Neighborhood Legal Services of Los Angeles County (NLSLA)		
Project Type:	New Construction; Sponsor's HQ Office & Justice Center		
Description:	<p>This project is the new construction of a 25,000 SF Justice Center in the Pacoima area. The Sponsor, NLSLA, is a nonprofit organization with a 55-year track record of providing legal help to Los Angeles' low-income communities. The new Justice Center will allow NLSLA to significantly increase the number of people the organization serves across Los Angeles County. NLSLA's current office in Pacoima – which will be acquired by L.A. Metro for the construction of a much-needed light rail extension – was first opened in 1965 by a group of attorneys looking to expand access to healthcare, housing, and justice in the San Fernando Valley. The Justice Center will accommodate approx. 100 NLSLA staff and the following services: NLSLA Health Consumer Center, housing and homelessness services, family law/domestic violence advocacy, and disaster legal assistance programs.</p>		
Location:	13411 Van Nuys Blvd, Pacoima, CA 91331 (CD 7)		
Census Tract Eligibility (2016-20):	<ul style="list-style-type: none"> ➤ 23.7% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 49.2% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ 1.63x National Avg. Unemployment (<i>greater than 1.5x</i>) 		
Estimated TDC & NMTC Allocation:	Budget:	\$ 40,500,000	Total QEI: \$ 36,000,000 LADF QEI: \$ 14,500,000
Potential Sources of Funds:	Public Funding Sources:	\$ 12,000,000	Lev. Loan Eligible
	Private Capital Campaign:	\$ 17,250,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 11,250,000	
Projected Closing:	Q3 2025		
Current Status:	<ul style="list-style-type: none"> ➤ project has been delayed until May 2025. Genesis has agreed to provide allocation of 15 million. 		
Community Benefits/Impact:	<ul style="list-style-type: none"> ➤ Job Creation: 106 Permanent (77 ret. / 29 new) – 40 Construction ➤ NLSLA Provides training and employment opportunities, including internships and professional development. ➤ NLSLA serves over 116,000 low-income individuals and families annually, with the new facility expanding their reach by 50% ➤ NLSLA is a minority-controlled nonprofit organization. 		



SOLA CRENSHAW LOFTS

Developer:	SoLa Impact		
Project Type:	Multi-Service Community Organization/Social Services		
Description:	SoLa Impact is a Black-owned and managed family of closed-end real estate funds that invest in the preservation and development of affordable and workforce housing within overlooked and underinvested communities, with 95% of projects located in BIPOC neighborhoods . The Crenshaw Lofts project (4611 Crenshaw) is operating through SoLa's Black Impact Fund, which focuses on advancing economic opportunity and social impact in Black and Brown communities. Located in a culturally significant area on Crenshaw Boulevard, the project will host the SoLa Tech Center West, providing digital literacy programs and job training to empower local residents with marketable skills. Cultural events will be hosted by the Live Nation Studio within Tech Center West to celebrate local arts and foster community pride. The project also includes a community-focused café, wellness and fitness center, 186 housing units, and 110 parking spots.		
Location:	4611 Crenshaw Blvd , Los Angeles, CA 90043 (CD 10)		
Census Tract Eligibility (2016-20):	➤ 21.2% Poverty Rate (<i>greater than 20%</i>) ➤ 63.6% of Metro/State Median Income (<i>less than 80%</i>)		
Estimated TDC & NMTC Allocation:	Budget:	\$ 108,511,000	Total QEI: \$ 35,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Sponsor Equity / Fundraising:	\$ 18,580,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 10,920,000	
	Hud Appropriationv& Donation:	\$ 5,500,000	Lev. Loan Eligible
Projected Closing:	Q1 2025		
Current Status:	Construction is in progress with expected completion in 2025. Non-NMTC funding sources are committed. Tech Center West will occupy 10,000 SF, with CBRE leasing remaining 5,000 SF commercial space by Q3 2025, and residential preleasing set to begin in Q2 2025, targeting full occupancy within 9 months.		
Community Benefits/Impact:	➤ Jobs: 61 Permanent (<i>50 created / 11 ret.</i>) – 75 Construction ➤ 60%+ hiring will be focused on local BIPOC and low-income persons ➤ Train 2,500 students annually through Tech Center West programming ➤ 186 housing units, with 20% reserved as affordable housing. ➤ Essential services: wellness center, coffee shop, cultural events, and workforce training center.		



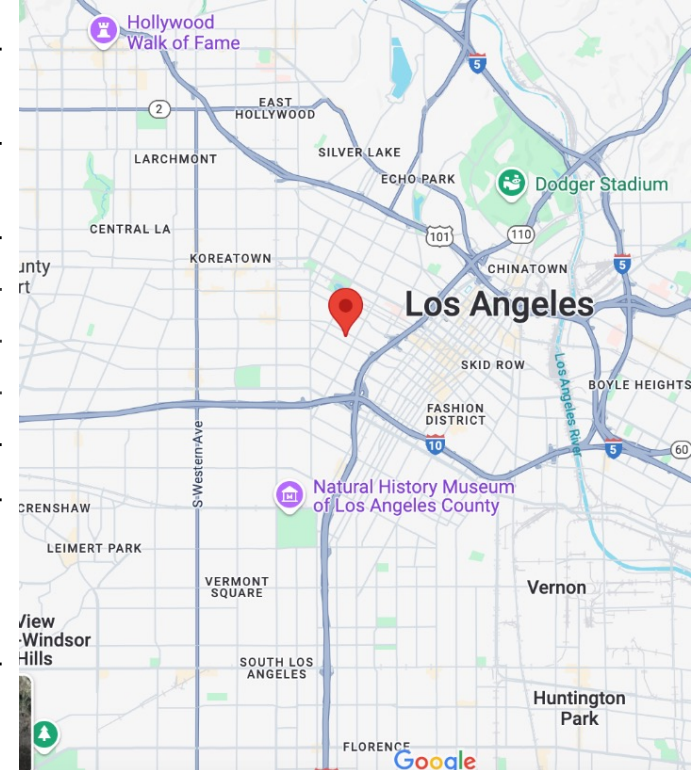
RESEDA THEATRE

Developer:	Azure Community Development, Inc.		
Project Type:	Renovation; Entertainment and Small Business Incubator		
Description:	The Reseda Theater & Public Market project is revitalizing a historic 15,860 square foot theater in Downtown Reseda into a vibrant community space. Managed by Azure Community Development, the project focuses on low-income, BIPOC communities, featuring a food hall with six tenants across 300-1,000 square feet each, a 92-seat craft beer garden, two movie theaters totaling 100 seats, and a weekday community meeting space. Tenants will benefit from interest-free, forgivable \$50,000 start-up loans and 20-25% below-market rent. This initiative is set to rejuvenate a once-thriving area, significantly affected since the 1970s, by promoting local business and community engagement in a historically rich location.		
Location:	18447 West Sherman Way, Los Angeles, CA 91335 (CD 3)		
Census Tract Eligibility (2016-20):	➤ 55.7% of Metro/State Median Income (<i>less than 80% and 60%</i>) ➤ Federally-designated Opportunity Zone		
Estimated TDC & NMTC Allocation:	Budget:	\$ 15,000,000	Total QEI: \$ 15,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Sect. 108 & Other Debt (TBD):	\$ 9,070,000	Lev. Loan Eligible
	City of Los Angeles (grant):	\$ 1,250,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000	
Projected Closing:	TBD		
Current Status:	➤The plans and specs are underway. Zoning allows the project use by-right. Permits are anticipated by the end of 2024.		
Community Benefits/Impact:	➤ Jobs Creation: 42 Permanent (<i>created</i>) – 45 Construction ➤Latina-led and -controlled non-profit. The GC is also an MBE . ➤Start-Up Loan Program: Up to \$50k forgivable loans for tenant start-ups, 25% forgiven annually over 4 years if business remains operational. ➤Sponsor to recruit food tenants via local WorkSource entrepreneurship program ; tenants to have at least one site (e.g., food truck) for business growth.		



IMMIGRANT WELCOME AND EMPOWERMENT CENTER

Developer:	Coalition for Humane Immigrant Rights (CHIRLA)		
Project Type:	Renovation; Community Facility		
Description:	<p>CHIRLA (Coalition for Humane Immigrant Rights) will utilize New Markets Tax Credits to rehabilitate an abandoned six-story, 83,609 SF office building into the Immigrant Welcome and Empowerment Center (IWECC). This project will transform the building into a vibrant community hub offering essential services and resources to California's immigrant population. The IWECC will centralize CHIRLA's administrative functions and expand its programs, including free and low-cost legal services, community education, green workforce development, and advocacy. The facility will also feature key tenants such as a community-operated café and a health clinic, providing access to healthcare for 8,000 individuals. Once complete, the center will serve 33,900 additional people, with over 95% being low-income individuals of color. The project has strong community support, with local immigrant groups and foundations backing the initiative, helping CHIRLA further its mission of empowering immigrant communities and advocating for their rights.</p>		
Location:	1730 W. Olympic Boulevard, Los Angeles, CA (CD1)		
Census Tract Eligibility (2016-20):	<p>➤ 35.3% Poverty Rate (greater than 20% and 30%)</p> <p>➤ 52.0% of Metro/State Median Income (less than 80% and 60%)</p>		
Estimated TDC & NMTC Allocation:	Budget:	\$ 83,200,000	Total QEI: \$ 50,000,000 LADF QEI: \$ TBD
Potential Sources of Funds:	Bank or CDFI Loan (no commitment):	\$ 6,100,000	Lev. Loan Eligible
	Sponsor Equity/Grants (in hand):	\$ 29,800,000	Lev. Loan Eligible
	Sponsor Equity/Grants (to-be-raised):	\$ 31,700,000	Not Leveraged
	NMTC Equity (\$0.80/NMTC):	\$ 15,600,000	
Projected Closing:	Q1 2025		
Current Status:	<p>➤CHIRLA acquired the site in Oct 2023 with a Cal State grant and has started development. Timeline: Demolition and abatement underway; core and shell work (Sep 2024 - May 2025); fit-out (May-Oct 2025).</p> <p>➤CHIRLA will build out floor-by-floor if the additional \$31.7mm in fundraising needed takes longer than expected to secure.</p>		
Community Benefits/Impact:	<p>➤Job Creation: 200 Permanent – 300 Construction</p> <p>➤Serve 33,900 additional people, with over 95% being low-income persons of color. Services include free legal aid, immigrant rights hub, and 10 other programs.</p> <p>➤The community clinic will provide healthcare to 8,000 individuals</p> <p>➤CHIRLA and 2 tenants (community café & health clinic) are minority-owned or controlled</p>		

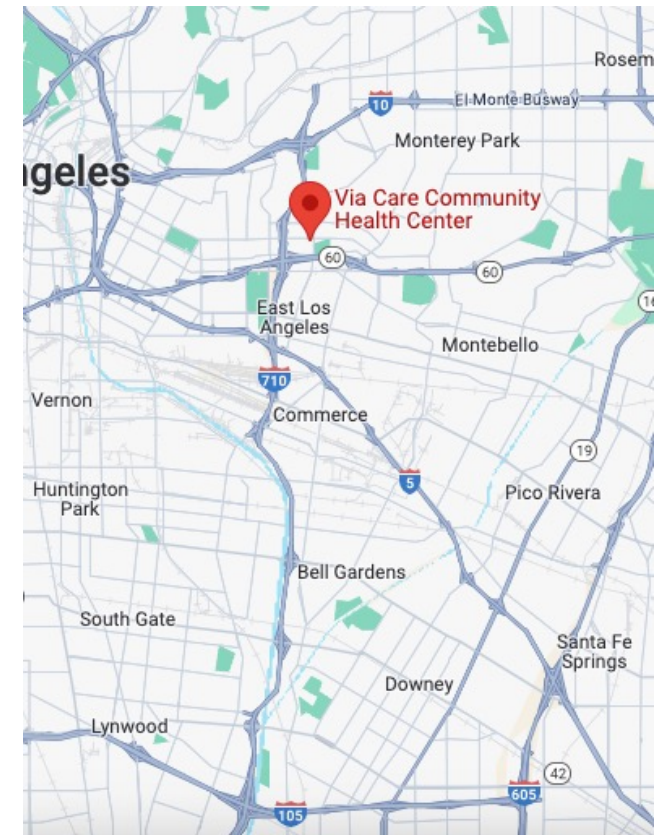


VIA CARE CESAR CHAVEZ HEALTH AND WELLNESS CAMPUS

Developer:	Via Care Community Health Center		
Project Type:	New Construction; Medical Facility		
Description:	Via Care Community Health Center, a non-profit Latino-led FQHC, is replacing its 4,500 SF storefront in East LA with a 25,000 SF facility. Currently serving 8,000 patients with 32,000 visits annually, the new facility will serve 17,200 patients with 68,000 visits , marking a 115% increase . Phase 1 includes 12 medical exam rooms, 4 dental bays, after-hours urgent care, mental health counseling, and case management offices. This project is the first of two phases converting a storefront FQHC and two vacant parcels into a comprehensive medical and wellness campus. Phase 2 will cost \$42MM and add a retail pharmacy, women's health and pediatrics, pediatric dental services, and a laboratory. Combined, both phases will serve 34,600 patients with 174,000 visits annually . Via Care's patient base is over 95% low-income and 94% on Medi-Cal , with a board and leadership team predominantly BIPOC.		
Location:	4755 E Cesar E Chavez Ave, East Los Angeles, CA 90022 (unincorporated County land within CD 14)		
Census Tract Eligibility (2016-20):	➤ 64.5% of Metro/State Median Income (<i>less than 80% and 70%</i>) ➤ Project will serve Targeted Populations (90% LIPs served currently)		
Estimated TDC & NMTC Allocation:	Budget:	\$ 38,805,000	Total QEI: \$ 33,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Capital Campaign, Sponsor's cash-on-hand, and debt	\$ 22,700,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 10,300,000	
Projected Closing:	TBD		
Current Status:	➤ The sponsor has acquired the site. Permits will be submitted in Q3 2024 and are expected by March 2025.		
Community Benefits/Impact:	➤ Jobs: 78 Permanent (65 created / 13 ret.) – 200 Construction ➤ The project will serve (Phase I only) 17,200 unique patients/year with 68,000 visits annually. Over 95% of those served are low-income and 96% are BIPOC .		

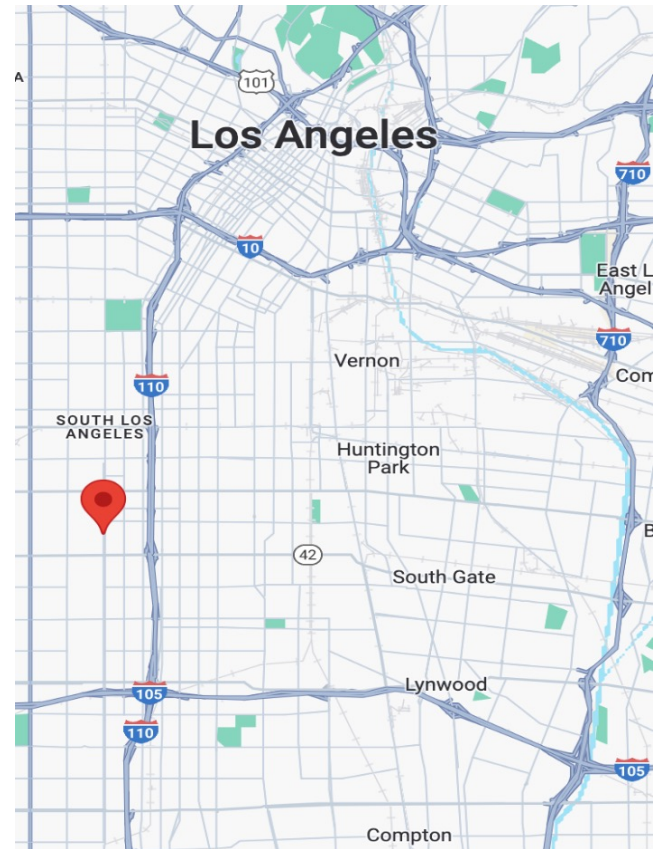
Via Care

**BUILDING
FOR THE FUTURE**
The Campaign for Via Care



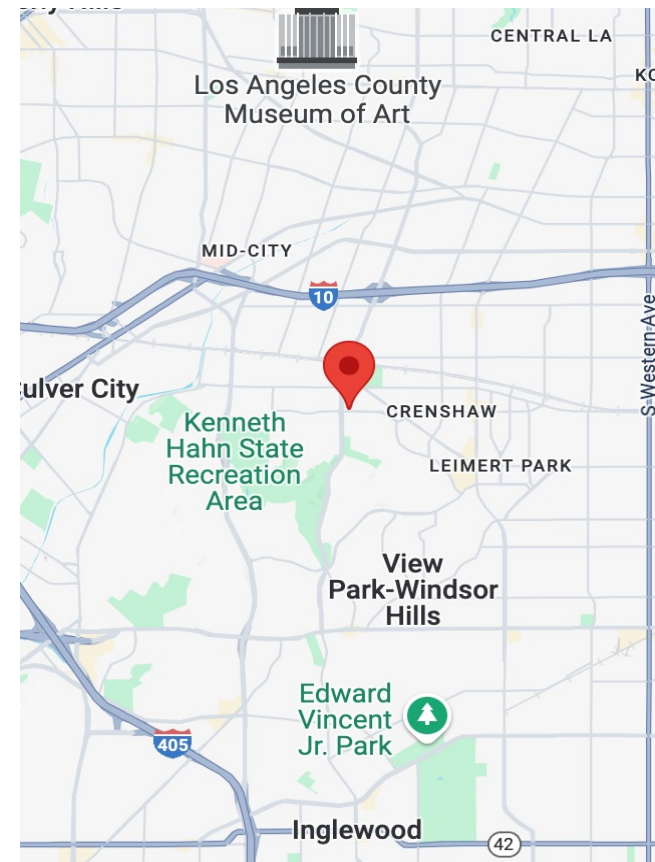
CENTER FOR COMMUNITY ORGANIZING

Developer:	Community Coalition (CoCo)
Project Type:	New Construction; Community Facility
Description:	Community Coalition (CoCo) is significantly involved in the social justice movement, focusing on engaging Black and Brown communities in South LA for more than 30 years. Their activities include organizational assessments, stakeholder interviews, and leadership pipeline development. In collaboration with Building Movement Project and Community Change, CoCo aims to establish a leadership network by engaging with over 20 base-building organizations across various cities. This involves addressing the needs within the progressive movement. CoCo's accomplishments also feature successful fundraising, having raised over \$11 million in two years and obtaining land for housing. Furthermore, they have launched a training program that has educated over 100 organizers from 39 organizations between 2019 and 2023. This initiative demonstrates a comprehensive approach to developing power and capacity in social justice movements, ranging from grassroots organizing to resource acquisition and leadership training.
Location:	7514, 7518-7526 S Vermont Ave. Los Angeles, CA 90044 (CD 8)
Census Tract Eligibility (2016-20):	➤ <u>22.6%</u> Poverty Rate (<i>greater than 20%</i>) ➤ <u>58.0%</u> of Metro/State Median Income (<i>less than 80% and 60%</i>)
Estimated TDC & NMTC Allocation:	Budget: \$ 40,000,000 Total QEI: \$ 30-40mm LADF QEI: \$ TBD
Potential Sources of Funds:	The project is actively seeking potential sources of funds
Projected Closing:	2025
Current Status:	➤ Current progress includes strategic planning, which involves developing a sustainability plan, fundraising for program development, finalizing the design of new programs, and beginning construction of a state center for CoCo.
Community Benefits/Impact:	➤ Job Creation and Retention: TBD ➤ Aim to triple their student reach within the next two years, moving beyond their current annual reach of 400-500 students across five South LA high schools (Crenshaw High School, Washington Prep, Augustus Hawkins, Manual Arts High School, Fremont High School). ➤ Educational Impact: Significant positive outcomes in graduation and higher education rates, directly linked to their civic engagement services. ➤ Building capacity of organizations led by <i>People of Color</i>



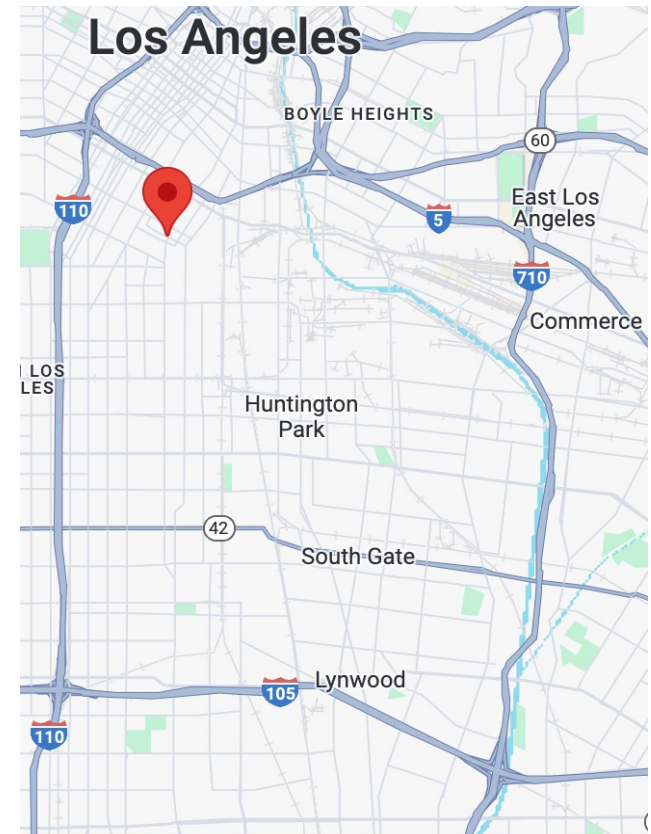
SOUTH LA HEALTHY FOOD / COSTCO

Developer:	Thrive Living									
Project Type:	New Construction – Full-Service Costco In an Affordable Housing Complex									
Description:	<p>This project involves the construction of a full-service Costco store with four floors of subterranean parking, providing residents with access to healthy foods in a USDA-designated Food Desert. Thrive Living is also developing a \$327 million, 800-unit housing complex above Costco, with 184 units designated as affordable housing for tenants earning below 80% AMI. This project addresses a severe housing shortage while creating a community-focused, transit-oriented development in South LA.</p> <p>Thrive Living is a real estate developer dedicated to addressing the housing crisis in Los Angeles through a community-centered approach. Thrive collaborates with over 30 local organizations to address urgent needs in disadvantaged neighborhoods. Before initiating this project, Thrive spent 18 months gathering input from a local resident focus group, which led to a partnership with Costco to provide a much-needed healthy food option in the area.</p>									
Location:	5035 Coliseum St. Los Angeles, CA 90016 (CD 10)									
Census Tract Eligibility (2016-20):	<p>➤ 27.0% Poverty Rate (<i>greater than 20%</i>)</p> <p>➤ 44.0% of Metro/State Median Income (<i>less than 80% and 60%</i>)</p>									
Estimated TDC & NMTC Allocation:	<table><tr><td>Budget:</td><td>\$ 115,600,000</td><td>Total QEI:</td><td>\$ 70,000,000</td></tr><tr><td></td><td></td><td>LADF QEI:</td><td>\$ 10,000,000</td></tr></table>	Budget:	\$ 115,600,000	Total QEI:	\$ 70,000,000			LADF QEI:	\$ 10,000,000	
Budget:	\$ 115,600,000	Total QEI:	\$ 70,000,000							
		LADF QEI:	\$ 10,000,000							
Potential Sources of Funds:	<table><tr><td>Sponsor Equity :</td><td>\$ 26,070,000</td><td>Lev. Loan Eligible</td></tr><tr><td>Senior Debt:</td><td>\$ 67,731,000</td><td></td></tr><tr><td>NMTC Equity (\$0.80 / NMTC):</td><td>\$ 21,840,000</td><td></td></tr></table>	Sponsor Equity :	\$ 26,070,000	Lev. Loan Eligible	Senior Debt:	\$ 67,731,000		NMTC Equity (\$0.80 / NMTC):	\$ 21,840,000	
Sponsor Equity :	\$ 26,070,000	Lev. Loan Eligible								
Senior Debt:	\$ 67,731,000									
NMTC Equity (\$0.80 / NMTC):	\$ 21,840,000									
Projected Closing:	Target NMTC closing is March/April 2025.									
Current Status:	Sponsor is in the process of securing senior debt financing and obtaining CDE commitments of NMTC Allocation.									
Community Benefits/Impact:	<p>➤ Jobs: 290 Permanent / TBD Construction</p> <p>➤ 100% of jobs above MIT Living Wage and 100% of jobs receive benefits</p> <p>➤ Estimated to serve 223,000 community members annually.</p> <p>➤Social Services: Partners with local nonprofits for job training and hiring, offering benefits like medical, dental, and vision insurance for employees and their dependents.</p>									



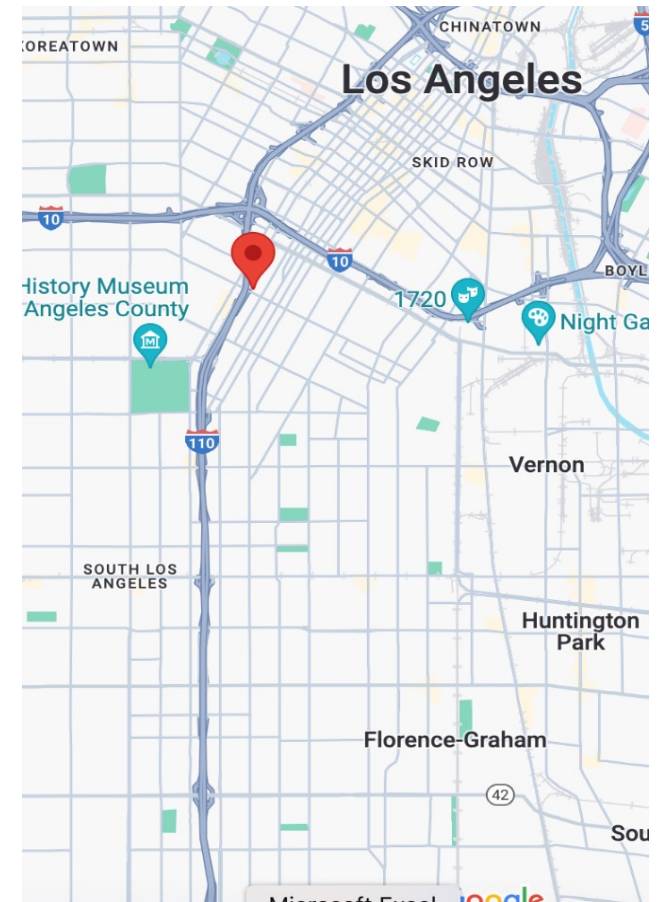
FQHC – CENTRAL NEIGHBORHOOD FOUNDATION

Developer:	Central Neighborhood Health Foundation		
Project Type:	Federally Qualified Health Center (FQHC) Expansion / Working Capital		
Description:	The Central Neighborhood Health Foundation ("CNHF") is expanding its healthcare services across Los Angeles, Riverside, and San Bernardino counties, focusing on medically underserved and highly distressed communities. As a Federally Qualified Health Center , CNHF provides essential services such as family and internal medicine, pediatrics, OB/GYN, optometry, dentistry, behavioral health, diabetes management, telehealth, and COVID-19 care. With a New Markets Tax Credit allocation of \$15 million, CNHF aims to increase patient visits by 13% over the next three years, welcoming approximately 5,904 new patients and adding 19,211 visits . The project will also generate 16 new full-time jobs while retaining 61 current positions, with a workforce that includes 74% women and 73% minority employees. To extend its reach, CNHF operates from multiple fixed locations, including clinics within Medically Underserved Areas, as well as three mobile units.		
Location:	CNHF operates in 6 highly distressed, 1 qualified, and 3 non-qualified census tracts (including 2 medically underserved areas) and has 3 mobile units. See below 4 locations in Los Angeles: HQ Office: 2700 S Grand Avenue, Los Angeles, CA 90007 (CD9) Central Clinic: 2707 S Central Avenue, Los Angeles, CA 90011 (CD9) Grand Clinic: 2614 S Grand Avenue, Los Angeles, CA 90007 (CD9) Wilshire Specialty Clinic: 1245 W Wilshire Blvd, Los Angeles, CA 90017 (CD1)		
Census Tract Eligibility (2016-20):	➤ <u>32.5 to 32.6%</u> Poverty Rate (<i>greater than 20% and 30%</i>) ➤ <u>38.0 to 46.0%</u> of Metro/State Median Income (<i>less than 80% and 60%</i>)		
Estimated TDC & NMTC Allocation:	Budget:	\$ 15,000,000	Total QEI: \$ 15,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Sponsor Equity:	\$ 1,000,000	Lev. Loan Eligible
	Sponsor Equity – Prior Incurred Exp.:	\$ 8,320,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000	
Projected Closing:	Upon receipt of Allocation		
Current Status:	➤ TBD		
Community Benefits/Impact:	➤ Job Creation: 16 new FTEs and retention of 61 existing FTEs ➤Healthcare Access: Expected 13% increase in patients/visits over 3 years (5,904 new patients) ➤Patient Demographics: 92% low-income patients, 73% minority patients, 88% female employees		



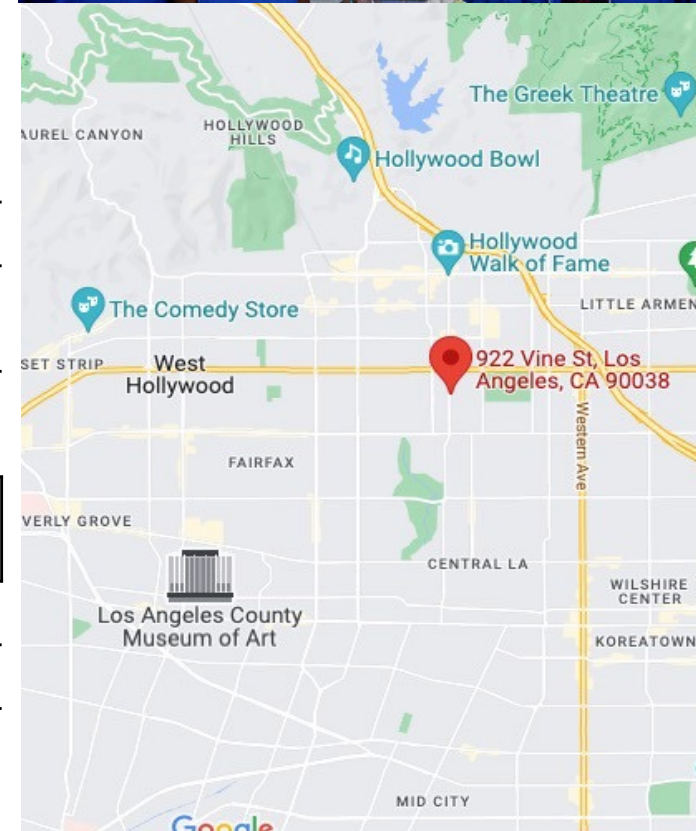
FQHC – YEHOWA MEDICAL SERVICES

Developer:	Yehowa Medical Service		
Project Type:	Federally Qualified Health Center (FQHC) Expansion / Working Capital		
Description:	Yehowa Medical Services is a Federally Qualified Health Center providing comprehensive clinical and non-clinical services, including medical, dental, behavioral health, alcohol and drug counseling, psychiatry, STD/HIV testing nutritional counseling, case management, and eligibility assistance. Yehowa Medical Services (YMS) is undergoing significant expansion to better serve South Los Angeles and surrounding areas. With two new locations and a doubled space at its Vermont Avenue facility, YMS is poised to increase its dental services and further extend its community impact. To support this growth, YMS plans to utilize NMTC financing, which is anticipated to boost patient capacity by 20-25% , bringing in an additional 983 to 1,299 patients . Furthermore, a partnership with PIH Health Physicians aims to establish YMS as the exclusive healthcare provider for the Whittier area, with a new clinic projected to open by the end of 2024. This expansion will enable YMS to deepen its commitment to accessible, high-quality care in underserved communities.		
Location:	1039 W Florence Avenue, Los Angeles, CA 90044-2441 (CD8) 11502 S Vermont Avenue, Los Angeles, CA 90044 (CD8) 1037 E Pacific Coast Hwy, Los Angeles, CA 90744 (CD15)		
Census Tract Eligibility (2016-20):	➤ <u>31.0%</u> Poverty Rate (greater than 20% and 30%) ➤ <u>44.0 to 55.0%</u> of Metro/State Median Income (less than 80% and 60%)		
Estimated TDC & NMTC Allocation:	Budget:	\$ 15,000,000	Total QEI: \$ 15,000,000 LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Sponsor Equity:	\$ 1,000,000	Lev. Loan Eligible
	Sponsor Equity – Prior Incurred Exp.:	\$ 8,320,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 4,680,000	
Projected Closing:	Upon receipt of Allocation		
Current Status:	➤ TBD		
Community Benefits/Impact:	➤ Jobs: 77 Permanent (16-30 created / 61 ret.) ➤ Patient Increase: 20-25% (983 to 1,299 new patients) ➤ Demographics: 89% Minority & 90% LIP Patients, 53% Women Patients ➤ Employee Demographics: 82% LIP Employees		



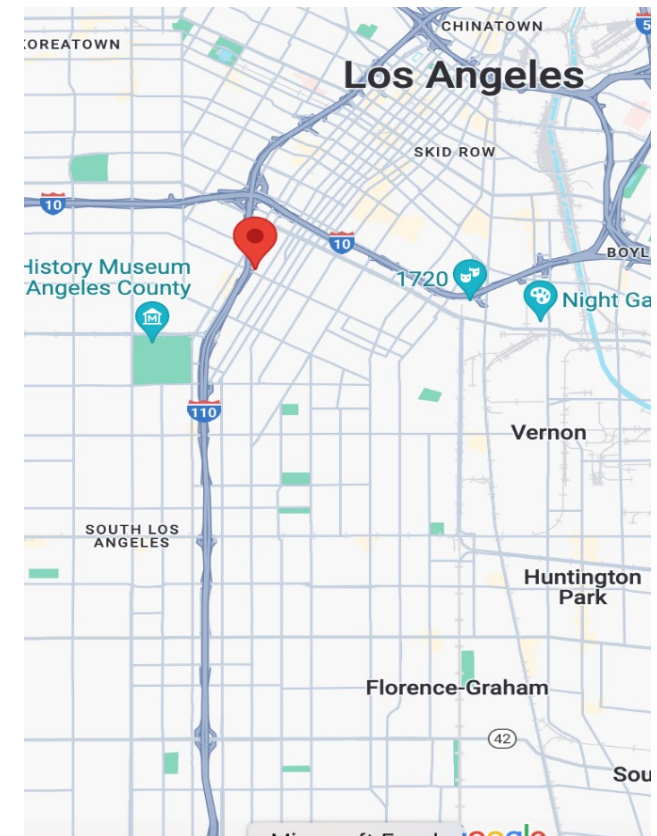
PROJECT ANGEL FOOD (PHASE II)

Developer:	Project Angel Food (a non-profit organization)		
Project Type:	New Construction / Office & Community Space		
Description:	<p>Project is the new construction of a 15,000 SF facility which will house Project Angel Foods's administrative offices, Nutrition Services and Client Services, as well as enhance the programming at the Phase I site across the street (<i>financed by LADF in March 2024</i>). The combined development, with both phases, will create a combined 32,000 SF campus.</p> <p>Project Angel Food is a nonprofit organization founded in 1989. Project Angel Food prepares and delivers over 1.3 million medically tailored meals each year, free of charge, to low-income people affected by life-threatening illnesses. Clients will receive one-on-one nutritional counseling and a customized menu that is designed to meet the unique needs of their diagnosis and aligned with their personal dietary restrictions and preferences. Currently, the Project Angel Food kitchen creates 13 variations of each menu.</p>		
Location:	954-962 Vine Street, Los Angeles CA 90038 (CD 13)		
Census Tract Eligibility (2016-20):	<p>➤ <u>20.5%</u> Poverty Rate (<i>greater than 20%</i>)</p> <p>➤ <u>50.8%</u> of Metro/State Median Income (<i>less than 80% and 60%</i>)</p>		
Estimated TDC & NMTC Allocation:	Budget:	\$ TBD	Total QEI: \$ TBD LADF QEI: \$ 10,000,000
Potential Sources of Funds:	Funding Sources are TBD		\$ TBD
Projected Closing:	TBD		
Current Status:	Project is still in design and pre-development stages.		
Community Benefits/Impact:	<p>➤ Job Creation: TBD Permanent – TBD Constr.</p> <p>➤ Community impacts associated with the nutrition and food programming planned for the site have not yet been provided.</p>		



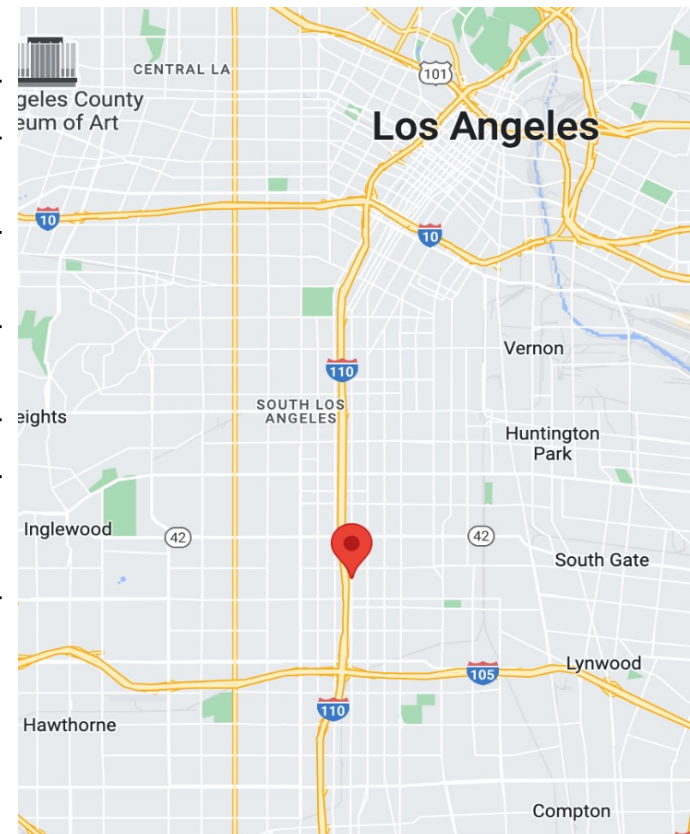
LUSKIN ORTHOPAEDIC INSTITUTE FOR CHILDREN

Developer:	The Luskin Orthopaedic Institute for Children		
Project Type:	Expansion; Critical healthcare facility for Low-Income Children & Adults		
Description:	The Luskin Orthopaedic Institute for Children ("LuskinOIC") is undertaking an expansion project to enhance orthopedic services in south Los Angeles, a community with notable medical needs. This initiative will provide expanded orthopaedic services to adult patients and establish an advanced imaging center equipped with an MRI and a Hi Rise Curve Beam CT Scanner. In addition, the project covers the expansion of the existing physical and occupational therapy facility, the ambulatory surgery center, and renovation of the existing 117,000 SF buildings for better accessibility for patients and their families. Previously, in 2017, LuskinOIC carried out a New Markets Tax Credit transaction to construct a new Ambulatory Surgery Center and expand its urgent care and fracture clinic. This served primarily the Medi-Cal managed population, uninsured, and underinsured (>93% low-income children) from nearby areas. The expansion is projected to bring in 5,000 more visits annually and double the surgical volume, accommodating an extra 650 cases yearly.		
Location:	403 West Adams Boulevard, Los Angeles, CA 90007 (CD 9)		
Census Tract Eligibility (2016-20):	➤ 38.2% Poverty Rate (<i>greater than 20% and 30%</i>) ➤ 30.0% of Metro/State Median Income (<i>less than 80% and 60%</i>)		
Estimated TDC & NMTC Allocation:	Budget:	\$ 12,000,000	Total QEI: \$ 12,000,000 LADF QEI: \$ 12,000,000
Potential Sources of Funds:	Sponsor Equity / Fundraising:	\$ 8,260,000	Lev. Loan Eligible
	NMTC Equity (\$0.80 / NMTC):	\$ 3,740,000	
Projected Closing:	TBD		
Current Status:	➤ TBD		
Community Benefits/Impact:	➤ Jobs: 170 Permanent (<i>20 created / 150 ret.</i>) – 26 Construction ➤ Introduction of MRI and Hi Rise CurveBeam CT Scanner . ➤ Expansion of therapy facility & ASC with second surgical suite. ➤ Building enhancements for mobility; outcomes: 5,000 additional yearly visits and doubling surgeries with an extra 650 cases annually.		



94TH AND BROADWAY

Developer:	94B, LLC
Project Type:	Mixed use: Grocery Store + 180 units of affordable housing (11% ELI)
Description:	<p>The site in Council District 8, South Los Angeles, previously home to the Broadway Hospital until its closure in 1988, is undergoing a transformative redevelopment. Spanning roughly 5 acres, the site is part of a larger block encompassing Broadway, 94th Street, Spring Street, and Colden Avenue. After the hospital's closure, the area remained vacant, awaiting new development opportunities. This significant redemption project involves converting the site into a vibrant residential and commercial hub. Plans include the construction of 180 apartments, with a notable inclusion of 20 affordable units, addressing the pressing need for housing in the area. Complementing the residential aspect, a 25,000 square foot full-service grocery store is proposed, with ALDI, an affiliate of Trader Joe's, expressing interest through a Letter of Intent to manage it. This grocery store, offering fresh produce options, is particularly significant given the current lack of such amenities in this part of South Los Angeles.</p>
Location:	9402-9422 S Broadway, Los Angeles, CA 90003 (CD 8)
Census Tract Eligibility (2016-20):	<p>➤ 35.3% Poverty Rate (<i>greater than 20% and 30%</i>)</p> <p>➤ 52.0% of Metro/State Median Income (<i>less than 80% and 60%</i>)</p>
Estimated TDC & NMTC Allocation:	<p>Budget: \$ 69,027,354 Total QEI: \$ TBD</p> <p>LADF QEI: \$ TBD</p>
Potential Sources of Funds:	The project is actively seeking potential sources of funds
Projected Closing:	TBD
Current Status:	<p>➤ Submitting third group of invoices to DTSC for payment of contractor services and City's management of projects; Assisting with Lot line adjustment</p>
Community Benefits/Impact:	<p>➤ Job Creation: 75 Permanent – TBD Construction</p> <p>➤ Affordable Housing and Residential Development: The redevelopment of the site in Council District 8 includes constructing 180 apartments, featuring 20 affordable units.</p> <p>➤ Grocery Access: A 25,000 square foot ALDI store to enhance fresh produce availability.</p> <p>➤ Environmental : \$2.7 million grant from DTSC for soil cleanup.</p>



Tab 4

MEMORANDUM

TO: LADF Board of Directors
FROM: Sandra Rahimi, LADF Secretary
DATE: November 13, 2024
SUBJECT: LADF RFP #006 JEDI Zone Microloan Program Administrator Selection

RECOMMENDATION

LADF staff recommends that the Governing Board select the Pacific Asian Consortium in Employment (PACE) as the loan program administrator for LADF's microloan fund under its JEDI Zone Microloan Program. PACE's proposal demonstrates strong cost efficiency, a solid track record, and robust capacity in managing loan application intake, underwriting, closing, servicing, and reporting. These attributes make PACE well-suited to administer this program.

However, we recognize that the other two organizations under consideration, Vermont Slauson Economic Development Corporation (VSEDC) and NEW Community Investments, bring unique strengths to the table. VSEDC's targeted outreach in South LA and NEW Community Investments' established loan management platform could potentially complement the program and broaden its impact.

BACKGROUND AND SUMMARY

On September 14, 2023, the LADF Governing Board approved the establishment of a new microloan program, funded with \$1 million, to support small businesses located in City-designated JEDI Zones. Following this approval, an RFP was issued to identify a qualified program administrator, resulting in three proposals. These proposals were thoroughly evaluated by a review committee, but during initial negotiations, PACE withdrew due to funding constraints that affected their ability to cover technical assistance costs.

Based on feedback from the Economic and Workforce Development Department (EWDD) and other stakeholders, LADF staff adjusted the program's structure to better align with community needs and ensure equitable distribution of funds. Specifically, they introduced a cap of six loans or \$150,000 per JEDI Zone during the program's initial nine months. Additionally, a requirement was added for eligible businesses to be registered with a City Business Source Center, which facilitates easy access to essential business resources and support. EWDD also committed to conducting outreach for the program. The revised RFP was reissued on July 29, 2024, with a submission deadline of September 20, 2024, allowing previous applicants to revise their proposals and new applicants to participate.

Following the reissue, three proposals were received from **PACE Finance Corporation, Vermont Slauson Local Development Corporation, and NEW Community Investments**. The same Review Committee from the initial round, consisting of LADF staff members and two third-party members, was assigned to evaluate these proposals. The committee included Alison Paige, President of Capital A Consulting, LLC, who brings 20 years of experience in securing financial resources for low-income communities and has extensive expertise in New Markets Tax Credit (NMTC) and Historic Tax Credit services. Additionally, Jimmy Tran, Director of Finance & Asset Management at New Markets Community Capital (NMCC)—the NMTC subsidiary of TELACU Industries—served as a reviewer, bringing his experience in managing \$1 billion in investments.

After a comprehensive review and discussion on October 31, 2024, the Review Committee recommended PACE as the administrator for the LADF JEDI Zone Microloan Program, citing PACE's proven track record, cost efficiency, and experience in managing similar programs. While PACE's proposal was the strongest overall, the committee noted that some terms would need further negotiation to ensure alignment with LADF's goals and program requirements.

Additionally, the other two proposals offered unique strengths worth noting, which are discussed below to highlight potential insights and complementary approaches from each.

REVIEWER ASSESSMENTS

The review committee was tasked with evaluating each of the three proposals, utilizing a weighted matrix (*outlined in Exhibit A*) to score each proposal based on the following qualitative and quantitative measures:

- Fee and Expense Structure to Minimize Borrower Costs
- Track Record with Microloan Funding and Servicing
- Track Record with Microloan Underwriting and Risk Management
- Track Record with Government/City of L.A., Nonprofits, and Small Businesses
- Staff Capacity
- Provisions for Any Targeted Enterprises (*MBE, WBE, etc.*)
- Basic Understanding of the City of L.A.'s JEDI Zones
- Compliance with RFP Requirements (*provision of all required information*)
- Overall Quality of the Proposal (*detail, clarity, methodology, etc.*)

Each reviewer on the review committee completed the matrix and a meeting was held, subsequently, to discuss their assessments of each of the three proposals. Each of the five reviewers had independently scored PACE's proposal as the highest of the three proposals for exhibiting the best overall capability to act as LADF's microloan administrator.

PROPOSAL SUMMARY

PACE Finance Corporation Proposal

PACE Finance Corporation proposed a microloan program offering loans between \$10,000 and \$50,000 with terms from 1 to 5 years, a fixed 7% interest rate (1% to LADF, 6% to PACE), and a \$750 closing fee per loan. The proposal suggests efficient cost management, potentially by allocating partial time for four employees instead of assigning a dedicated staff member.

Loan Amount:	\$50,000
Loan Term:	5 Years
Closing Fee (2.5%):	\$750 (<i>paid by borrower, added to loan amt</i>)
Interest Rate:	7.0% (<i>6.0% to PACE and 1.0% to LADF</i>)
Monthly Payment (Year 1):	\$0
Monthly Payment (Years 2-5):	\$1281.12
Balloon Payment:	\$0 , <i>microloan is fully amortizing in Years 2-5</i>

The loan program assumes revolving principal repayments, with loan losses excluded from the analysis. Micro Loan Expenses include both direct program and indirect costs associated with PACE. The program aims to close a specific number of loans annually, maintaining a total number of outstanding loans with an average loan amount of \$25,000, ranging from \$10,000 to \$50,000. An initial fee of \$750 per loan is charged at closing, contributing to PACE's fee income. Borrowers pay a 6% interest rate on outstanding balances, with interest payments deferred in the first year. Program income includes fees and costs paid to PACE, while expenses cover PACE's microloan management costs. The program is expected to have an initial loss due to deferred interest but maintains a principal balance available for new loans, with a typical 4-year repayment term (ranging from 3-5 years), keeping funds in circulation for ongoing lending.

PACE has extensive experience, including its role as an SBA Microloan Intermediary since 2016 and a history of supporting over 54,000 small businesses while facilitating over half a billion dollars in loans. PACE plans to use DownHome Solutions for loan tracking and record management. While PACE has strong credentials and diverse funding sources from SBA, HUD, and others, concerns were raised by reviewers about their capacity due to the shared staffing model and a lack of direct focus on South LA. PACE has a history of managing two City of LA Business Source Centers, an SBA Women's Business Center, and holds the distinction of being the

only Minority Business Development Agency in Southern California. They have a track record of providing business training, technical assistance, and facilitating over half a billion dollars in small business loans.

Vermont Slauson Local Development Corporation (VSEDC) Proposal

Vermont Slauson Economic Development Corporation (VSEDC) proposed interest rates between 9.5% and 11.5%, with annual operating costs estimated at \$226,000, which would need to be covered by LADF or LADF's principal funds. This could require up to \$400,000–\$500,000 over five years, potentially straining their model if limited to a \$500,000 loan pool. VSEDC has been active in lending since 2018, with increased activity since 2022, deploying \$4.4 million to 86 entrepreneurs and maintaining a low 5% default rate. They utilize a thorough intake system, working one-on-one with entrepreneurs before considering them for loans, and have established underwriting procedures and a technology system to support loan management.

VSEDC has a strong outreach approach, especially within South LA, and demonstrates solid connections with small businesses in the area, although their relationship with the City of LA specifically is not discussed. While they don't detail their approach to minority businesses in the proposal, 94% of their borrowers are MBEs. To support the LADF program, VSEDC would need to hire a program manager, but they indicate they could double their volume with current staffing. Overall, the proposal meets RFP requirements and demonstrates effective engagement and support for entrepreneurs, particularly in South LA.

NEW Community Investments (NCI) Proposal

NEW Community Investments, a relatively new organization in the lending space, proposes an interest rate of 8.75%, with annual operating costs estimated at \$287,000, which LADF would fully cover in the first year. It remains unclear whether LADF will retain the principal at the end of the term. The organization manages two substantial funds, with a primary focus on general lending rather than microlending. They have also implemented a technology system for underwriting and loan servicing, providing a structured approach to loan management.

Despite being a newer player, NEW Community Investments has established strong partnerships, including contracts with the City of LA, the State of CA, the LA Chamber of Commerce, and Kiva. The team consists of three staff members, and program continuity is expected through 2025, allowing them to retain current staffing levels. They have offices in three of the nine JEDI Zones, though their presence in South LA appears limited. While borrower demographics are not fully detailed, it's likely that a portion includes MBE, WBE, and LMI borrowers.

Overall, the proposal meets RFP requirements, with the organization demonstrating solid potential to support LADF's objectives, though some specifics, such as borrower demographics and microlending focus, lack detail.

RECOMMENDATION

After reviewing the three proposals, we recommend selecting the Pacific Asian Consortium in Employment (PACE) as the most cost-efficient option overall and capable of effectively administering the LADF JEDI Zone Microloan Program. PACE's proposal demonstrates strong cost management and experience in loan application intake, underwriting, servicing, and reporting, which aligns well with LADF's needs. However, it's worth noting that the other two organizations, Vermont Slauson Economic Development Corporation (VSEDC) and NEW Community Investments, also present valuable strengths, such as targeted outreach in South LA and solid partnerships, respectively. These additional attributes could potentially complement the program if needed.

ALTERNATIVE THOUGHTS / ADVICE RECEIVED FROM THE REVIEW COMMITTEE

During the review committee discussion call, one of the committee members, Alison Paige, shared an alternative perspective on LADF's approach to managing the JEDI Zone Microloan Program. She noted that since LADF currently lacks the capacity to handle this program internally, building a completely new program and developing the necessary systems from scratch would be resource-intensive and time-consuming. Instead, she suggested a more efficient alternative: allocating LADF's funds equally among the three organizations under consideration—PACE, Vermont Slauson Economic Development Corporation (VSEDC), and NEW Community Investments.

Each of these organizations already manages its own microloan funding pool and has established infrastructure and processes for servicing loans. By funding each organization's microloan pool, LADF could potentially save significant administrative costs associated with program oversight and development. This approach would also allow LADF to extend its reach across more neighborhoods, as each organization has a unique geographic focus and established community presence. Moreover, distributing the funds among multiple organizations could increase the program's accessibility to borrowers, offering more locations and potentially providing a broader range of services to meet diverse borrower needs. In essence, this strategy would maximize the benefit to borrowers by minimizing overhead costs and leveraging the existing capabilities of each organization.

Please refer to the attachment for further details on this perspective, as outlined in *Tab 3 – Additional Opinion Received from Review Committee Member Alison Paige and Jimmy Tran Regarding Program Structure*.

ATTACHMENTS

Tab 1 – RFP #006 [REVISED]

Tab 2 – Review Scoresheet Template

Tab 3 – Additional Opinion Received from Review Committee Member Alison Paige and Jimmy Tran Regarding Program Structure

Los Angeles Development Fund

RFP #006 (REV): JEDI Zone Micro Loan Program

Reviewer:

Response Assessment Matrix	Weighting	PACE Finance Corporation		Vermont Slauson Local Development Corporation		NEW Community Investments	
		Rating	Notes	Rating	Notes	Rating	Notes
Fee and Expense Structure to Minimize Borrower Costs:	20%						
Track Record with Micro Loan Funding and Servicing:	10%						
Track Record with Micro Loan Underwriting and Risk Management:	15%						
Track Record with Government / City of L.A., Nonprofits, and Small Businesses:	5%						
Staff Capacity:	10%						
Plans for Outreach:	20%						
Provisions for Any Targeted Enterprises (MBE, WBE, etc):	5%						
Presents a Basic Understanding of the City of L.A.'s JEDI Zones:	5%						
Meets requirements of RFP (all required info provided):	5%						
Overall Quality of the Proposal (detail, clarity, methodology, etc):	5%						
Weighted Rating:	100%	0		0		0	

* Ratings based on a scale of 1 (lowest score) to 5 (highest score)

ATTACHMENT 2

Alternative Approach Proposed by Review Committee Members Alison Paige and Jimmy Tran Regarding Program Structure

The following was received via e-mail on November 1, 2024:

Proposal: Rather than creating a specialized LADF loan product that will be administered by CDFIs, LADF should invest directly into CDFIs that already have loan products serving small businesses in the City. Those CDFIs would use LADF's funds to advance their existing lending activity to small businesses.

Reasoning: We understand that LADF wishes to provide affordable debt to small businesses in JEDI Zones across the City. However, having a CDFI create a specialized loan product and then staff up for that product is highly inefficient. Based on the proposals provided, a \$1MM loan fund could cost LADF an additional \$500,000-\$1 million over a 7 year period -- or it could reduce by at least 50% the amount that is actually lent out to borrowers. This significantly limits the impact LADF is seeking to make.

Benefits of Investing Directly in CDFIs: Below are reasons we believe this proposal allows LADF to achieve its goals -- and more.

- 1. More Capital to Small Business Owners* - CDFIs already have lending products, processes, and staff. If the ultimate goal of this effort is to support small businesses with needed capital at affordable rates, lending directly to CDFIs and allowing them to deploy it as they see fit (with possible parameters, as discussed below) is a much more efficient way to do that. As stated above, the current RFP results in LADF paying \$2MM for \$1MM of lending, or \$1MM for \$500,000 or less of lending. Following the proposal would allow LADF's \$1MM to create up to \$1MM of lending.
- 2. Ability to Accomplish LADF's Goals with Stipulations on Investments:* If it wishes, LADF can place parameters around its investments. For example, LADF could say that it wants at least [50]% of its funds to be lent to businesses in JEDI Zones; [80]% to go to LMI borrowers; etc. With these parameters, the CDFIs will direct LADF's funds to borrowers that LADF is seeking to serve.
- 3. Supporting CDFIs That Are Themselves Small Businesses, Seeking Growth and Track Record:* The three most recent RFP respondents are LA-based CDFIs that are MBEs or WBEs. All have loan products, significant outreach/TA capacity, and the desire to grow their lending practices. What each appears to lack is additional capital to lend out to borrowers. If LADF follows this proposal, it can effectively invest in 3 growing MBEs or WBEs while also helping up to 50 other small businesses get capital for their businesses. Importantly, CDFIs with larger amounts under management are typically able to raise additional funds. So LADF's investment in these (or other) CDFIs will likely result in their ability to raise more in the future and lend more capital to emerging businesses in the City.
- 4. Utilizing CDFIs' Business Identification Expertise:* Each of the current RFP respondents have entrepreneurial training programs that allow them to identify, target, and support growing businesses. LADF's current plan divorces each CDFIs' client identification services from their loan issuance (since EWDD does a lot of the intake). We think this could impact loan quality and also misuse a core CDFI strength. The proposal would not have these issues.
- 5. Geographic and Ethnic Diversity Within the City:* LADF can opt to invest in one or more CDFIs. If LADF invests in more than one CDFI, it can support different geographies and groups in the City. For example, of the three RFP respondents: (1) one is an MBE in South LA serving business owners there, (2) one is an MBE in Central and East LA, and (3) one is a WBE serving borrowers across Central LA and the Valley. If these

three parties received investment, LADF's would funds go to businesses across the City and likely to owners with various racial/ethnic backgrounds.

6. Creating Multiple Funding Partners for BusinessSource Centers: If this proposal is followed, EWDD's BusinessSource Centers will be able to refer qualifying businesses to the CDFIs using LADF's funds. This will increase the tools that BusinessSource Centers can provide. For example, if LADF invests in 3 CDFIs, then the BusinessSource Centers will be able to refer their clients to 3 prospective lenders, thereby increasing their likelihood of receiving needed financing.

7. Reporting From CDFIs Can Help Assess Impact: Presumably, LADF would require that the CDFIs receiving its funds to provide periodic reporting on things like: Number of loans issues, average loan size, high level company information, default rate, etc. This way, LADF can track the program's impact. Ideally data points would be easily collected and not too onerous for the CDFIs.

Summary of the Other Two Proposals Received

Vermont Slauson Local Development Corporation (VSLDC) Proposal

VSLDC proposed interest rates between 9.5% and 11.5%, with annual operating costs estimated at \$226,000, which would need to be covered by LADF or LADF's principal funds. This could require up to \$400,000 to \$500,000 over five years, potentially straining their model if limited to a \$500,000 loan pool. VSLDC has been active in lending since 2018, with increased activity since 2022, deploying \$4.4 million to 86 entrepreneurs and maintaining a low 5% default rate. They utilize a thorough intake system, working one-on-one with entrepreneurs before considering them for loans, and have established underwriting procedures and a technology system to support loan management.

VSLDC has a very effective approach to outreach, especially within South LA, and demonstrates solid connections with small businesses in the area. While they don't detail a specific approach to targeting minority businesses in their proposal, 94% of their borrowers are MBEs. To support the LADF program, VSLDC would need to hire a program manager, but they indicate they could double their volume with current staffing. Overall, the proposal meets RFP requirements and demonstrates effective engagement and support for entrepreneurs, particularly in South LA.

NEW Community Investments (NCI) Proposal

NCI, a relatively new organization in the lending space, proposes an interest rate of 8.70%, with year 1 loan issuance costs estimated at \$287,000 (*paid to NCI directly from LADF*) and total costs of \$258,00 over the six-year period of the initial program round (*paid to NCI through interest payments*). It remains unclear whether LADF will retain the principal at the end of the term. The organization manages two substantial funds, with a primary focus on general lending rather than microlending. They have also implemented software for underwriting and loan servicing, providing a structured approach to loan management.

Despite being in business for a shorter period than the other respondents, NCI has established strong partnerships, including contracts with the City of LA, the State of CA, the LA Chamber of Commerce, and Kiva. The team consists of three staff members, and program continuity is expected through 2025, allowing them to retain current staffing levels. They have offices in three of the nine JEDI Zones, though their presence in South LA appears limited. While borrower demographics are not fully detailed, it's likely that a portion includes MBE, WBE, and LMI borrowers.

Overall, the proposal meets RFP requirements, with the organization demonstrating solid potential to support LADF's objectives; though some specifics, such as borrower demographics and microlending focus, lack detail.

Addendum to RFP #006 issued on October 12, 2023

July 29, 2024

This addendum includes all changes to the terms in the original RFP. In case of any contradictions, the terms of this Addendum will supersede any terms from the original RFP or supplementary documents to the original RFP.

REVISED TERMS TO ORIGINAL RFP

1. **Section 1.2.** Schedule of Performance is revised as follows: Services of the consultant(s) are expected to commence on January 1, 2025 and continue through December 31, 2030.
2. **Section 2.1.6.** On-Time Delivery is revised as follows: Any proposal submitted after Friday, September 20, 2024, 5:00 PM PST may be rejected.
3. **Section 2.4.2.** LADF Responses is revised as follows: To ensure a response, questions, inquiries or clarifications must be received in writing via email by Friday, August 30, 2024, 5:00 PM PST.
4. **Section 2.5.2(d)** is incorporated as follows: Operational projections for a six-year period, on an annual or quarterly basis, providing anticipated cash flows including, but not limited to, total loan amounts funded and repaid, interest income, and fees paid by the microloan fund. Please remember that a 1.0% charge will be incorporated into the interest rate for LADF's fee.
5. **Exhibit A, Section 1** is revised as follows: EWDD, in conjunction with City Council offices, will conduct outreach to attract potential borrowers. However, the chosen vendor will not be precluded from participating in outreach, as desired. Participation by the chosen vendor in informational events or other outreach efforts may be billed separately to LADF in the same manner as technical assistance fees.
6. **Exhibit A, Section 2** is incorporated as follows: Technical Assistance: Provide technical assistance support that businesses are unable to obtain through their registered City of Los Angeles Business Source Centers, including advice, consultation, and training in basic business practices such as accounting, drafting applications, and creating five-year business plans. Respondents may stipulate additional types of assistance and support that may be necessary based on their experiences in microloan finance.

Please remember, fees and costs of the selected vendor for providing technical assistance services to borrowers will be billed (monthly) directly to LADF, as opposed to the other services listed here which will be provided in exchange for closing fees and interest payments received from operations of the microloan fund. All responses to this RFP **MUST** include an hourly rate for providing technical assistance as well as an estimated total reserve to cover technical assistance charges for the initial term of the loan fund. The estimated total reserve is for informational purposes. The vendor will be paid for actual hours spent and will not be capped at the estimated reserve.

7. **Exhibit B, Section "Initial Program Funding"** is revised as follows: LADF will set aside capital to finance the costs of technical assistance to businesses, potential and actual borrowers.
8. **Exhibit B, Section "Eligibility Criteria"** incorporates additional criterion as follows: Must be registered with a City of Los Angeles Business Source Center
9. **Exhibit B, Section "Eligible Uses"** incorporates additional uses as follows:

- Loan refinancing, including personal credit cards and automobile loans, provided that documentation is provided demonstrating that the original use was for business operations
- Developing a professional social media presence and marketing plan

10. **Exhibit B, Section “Fees”** is revised as follows: Closing Fees: Respondents to the RFP should assume that closing fees and interest payments on microloans will pay for all of the selected vendor's costs, excluding charges related to technical assistance which will be paid directly by LADF (*see below*). Closing fees should be structured to be paid by the microloan fund at closing of each microloan and included in the borrower's loan principal for repayment.

To reduce closing costs, LADF, in conjunction with the selected vendor and LADF legal counsel, intends to establish a standard set of loan documents to be used for the program. The legal fees associated with creating standard documents will be paid by LADF. Any legal fees associated with adapting the standard loan documents to a specific loan may be included in the closing fee and paid accordingly.

Technical Assistance Fees: Fees and costs of the selected vendor for providing technical assistance services to borrowers will be billed (monthly) directly to LADF, as opposed to the other services listed in the Exhibit A: Scope of Work which will be provided in exchange for closing fees and interest payments received from operations of the microloan fund. The selected vendor will provide technical assistance and charge LADF with the associated fees only to the extent that borrowers are unable to receive technical assistance through the City of Los Angeles Business Source Centers with which they are registered.

Respondents to the RFP **MUST** include an hourly rate for providing technical assistance as well as an estimated total reserve to cover technical assistance charges for the initial term of the loan fund. The estimated total reserve is for informational purposes. The vendor will be paid for actual hours spent and will not be capped at the estimated reserve.

11. **Exhibit B, Section “Interest Rate”** is revised as follows: In the first 12 months of the microloan term, interest will accrue but payments will be deferred during this period and added to the loan principal to amortize over the loan term.

NEW CONDITIONS

1. For the first nine (9) months of the program, there may be a maximum of 6 loans or \$150,000 total loan amounts funded in each JEDI Zone. After 9 months, this cap will be revisited by LADF, EWDD, and the vendor.
2. It is expected that the selected vendor and LADF will open a joint bank account. The selected vendor and LADF will agree on underwriting parameters and loan terms within which the selected vendor may close and fund loans. Any proposed loans deviating from these parameters and terms must be presented to LADF for consideration prior to funding.

Monthly, the selected vendor will provide a report to LADF on fund performance. At a minimum, this report will include a list of loans closed that month, loan commitments, amounts funded, intended use of funds, business types, locations, number of employees, and any delinquencies.

3. After the first six (6) months of operations, the selected vendor will present the fund outcomes to date to LADF's Board of Directors. This attendance may be virtual upon request.

Request for Proposal #006 [Revised]

~~October 12, 2023~~

July 29, 2024

INTRODUCTION/BACKGROUND

The Los Angeles Development Fund (LADF) is a California nonprofit corporation (Corporation) created by the City of Los Angeles to apply for and administer the City's New Markets Tax Credits (NMTC) program. The LADF is a certified Community Development Entity (CDE), which has received \$360 million in NMTC allocations since its founding in 2007, including a \$50 million award in the most recent, 2022 round. The controlling entity of the LADF is the City of Los Angeles. The LADF uses its tax credit allocation to generate investment capital which is used to provide flexible financing to eligible borrowers to build economic development projects in low-income communities throughout the City of Los Angeles. The LADF's investment decisions are made by a five-member Governing Board after consultation with the LADF's 11-member Advisory Board. The LADF's Governing Board is composed of City officials who serve ex-officio.

In February 2009, the City Council authorized the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) to act as the management agent for the LADF. In this capacity, the CRA/LA provided administrative and management services to the LADF and oversaw all aspects of the NMTC program until February 2013. Since the expiration of the management services agreement with CRA/LA in February 2013, LADF has relocated its operations to the offices of the City of Los Angeles **Economic and Workforce Development Department (EWDD)**, where LADF operates independently and self-manages its NMTC allocation.

The LADF Governing Board wishes to take a proactive and strategic approach to creating economic development opportunities with its NMTC investments. As a supporting entity of the City of Los Angeles, LADF is committed to supporting the City's goals of job creation, economic equality, and revenue generation by participating in City initiatives.

The LADF has recently approved the launch of a new microloan program aimed at assisting small businesses located in City-established JEDI Zones. To facilitate this initiative, the LADF is seeking the services of a qualified vendor to assist with ~~outreach~~, underwriting, closing, servicing, and reporting for this loan program, **as well as providing borrowers with technical assistance (please note that TA fees are to be paid directly by LADF, separately)**. These services should align with the provisions outlined in Exhibit A (Scope of Work) in this Request for Proposal.

PROPOSAL REQUIREMENTS & INSTRUCTIONS

1. TECHNICAL REQUIREMENTS

1.1. Scope of Work

The scope of services required is described in detail in the Statement of Work, attached hereto as Exhibit A.

1.2. Schedule of Performance

Services of the consultant(s) are expected to commence ~~in on~~ **January 1, 2024** and continue through **January-December 31, 2030**.

2. PROPOSAL INSTRUCTIONS & CONTENT

2.1. Proposal Format

2.1.1. The LADF desires succinct proposals addressing the specific information requested herein. All proposals shall be in the format described herein. In order to ensure that each proposal is reviewed and evaluated properly, it is important that each proposal follows the format with care. The proposal shall address all requirements in this RFP.

2.1.2. Statements shall be organized in the order presented in **Section 2.5** and shall have tabs keyed to the requirements outlined in this section. Proposals shall be a straightforward delineation of the Respondent's capability to satisfy the intent and requirements of this RFP and shall not contain redundancies and conflicting statements.

2.1.3. All proprietary information shall be identified as such by the respondent. (Refer to **Section 4.2**, Restriction on the Disclosure of Data)

2.1.4. Submittals. The LADF prefers that proposals be submitted by email to:

Attention: Sandra Rahimi
Sandra.Rahimi@lacity.org

Hard copy submittals are not required, but may be delivered to:

Los Angeles Development Fund
444 S Flower Street, 14th Floor
Los Angeles, CA 90071
Attention: Sandra Rahimi

2.1.5. **Electronic submittals acceptable up to a total of 25 MB total per submission. Hard copy submittals are not required but shall be accepted 24 hours after the deadline so long as the electronic submittal is on time.**

2.1.6. On-Time Delivery. It is the sole responsibility of the firm submitting the proposal to see that it is delivered on time. Any proposal submitted after **Friday, September 20, 2024, 5:00 PM PST** may be rejected. The firm is entirely responsible for the means of delivering the proposal to the appropriate location on time.

2.1.7. Erasures. The proposal submitted must not contain erasures, interlineations, or other corrections unless each correction is authenticated by signing in the margin, immediately opposite the correction, by the person signing the proposal.

2.1.8. Signature. The proposal must be signed in the name of the firm and must bear the signature of the person authorized to sign proposals on behalf of the firm.

2.2. Completion of Proposals

Proposals shall be completed in all respects as required by the instructions herein. A proposal may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. A proposal will be rejected if, in the opinion of the LADF, the information contained therein was intended to erroneously and

fallaciously mislead the LADF in the evaluation of the proposal.

2.3. Examination of Contract Documents

2.3.1. Firms shall thoroughly examine the contents of this RFP. The failure or omission of any firm to receive or examine any contract document, form, instrument, addendum, or other document shall in no way relieve the firm from obligations with respect to this RFP or to the contract to be awarded. The submission of a proposal shall be taken as prima facie evidence of compliance with this section.

2.3.2. If the firm discovers any ambiguity, conflict, discrepancy, omission or other errors on the RFP, the firm shall immediately notify the LADF of the error in writing and request modification or clarification of the document. Clarifications shall be given by written notice to all firms participating in the RFP, without divulging the source of the request for same. Modifications shall be made by addendum issued pursuant to **Section 4.1.**

2.3.3. If a firm fails to notify the LADF of an error in the RFP before the date scheduled for submission of proposals, or of an error, which reasonably should have been known to the firm, the firm shall submit the proposal at its own risk. If the contract is awarded to the firm, the firm shall not be entitled to additional compensation or time by reason of the error or its subsequent correction.

2.4. Questions, Inquiries and Clarifications

2.4.1. Contact Individuals. All requests for information or questions in connection with this RFP shall be addressed to the individual named below:

Sandra Rahimi
Sandra.Rahimi@lacity.org
(213) 808-8959

2.4.2. LADF Responses. All responses to questions, inquiries or clarifications will be issued in writing via email by the designated contact from LADF. Firms shall be solely responsible for checking their email for any and all responses to questions and/or inquiries. **THE LADF WILL NOT MAIL ANY RESPONSES TO QUESTIONS, INQUIRIES OR CLARIFICATIONS.** Oral statements regarding this RFP by any persons should be considered unverified information unless received in a written email format. To ensure a response, questions, inquiries or clarifications must be received in writing via email by **Friday, August 30, 2024, 5:00 PM PST.**

2.5. Proposal Content

2.5.1. Technical Proposal. The Technical Proposal shall include the following:

2.5.1(a) Cover Letter. Two (2) single-spaced pages maximum, signed by a principal or authorized officer of the proposing firm, summarizing the major points contained in the proposal, and providing the name, address and telephone number of the key contact person.

2.5.1(b) Firm Description. A brief summary description of your firm, including its principal line of business, the year founded, form of organization (corporation, partnership, sole proprietorship, etc.), number and location of offices, and name, title,

and telephone number of your firm's representative.

2.5.1(c) Identification of Principal and/or Project Team. Identify the firm's principal and contact person responsible for performing services for this project and which office they work from. Also identify a list of the key personnel who will be providing the services required in this RFP, including job title/classification of each. Identify the role of each key personnel and include professional resumes of each. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates; work experience, showing previous employers, job titles and functions by calendar date (month/year) and by duration in months and years; and other information as relevant to the specific assignment.

2.5.1(d) Subcontractors / Sub-consultants. Identify any sub-consultants your firm will employ on this project and describe the scope of services each will perform. Include the company name, address, contact person, telephone number and description of services to be provided by each company as well as professional resumes for key personnel at the subcontractor. The minimum information to be included in the resumes shall include the person's education, showing related certificates, degrees, schools and dates; work experience, showing previous employers, job titles and functions by calendar date (month/year) and by duration in months and years; and other information as relevant to the specific assignment.

2.5.1(e) Comparable Experience. Identify and describe other projects your firm has completed which are comparable to the services described in this RFP.

2.5.1(f) References. List at least three (3) references of companies or persons who have utilized your firm's services and who have direct knowledge of your firm's experience and work. References should include client name and address, description or nature of services provided, and a contact name with his or her email address and telephone number. It is preferable that the contact be an individual who has direct experience with your firm. Additionally, please include a list of any other public sector clients for whom your firm has provided similar services. The LADF, at its discretion, may contact these references for further inquiry in its assessment of your firm.

2.5.1(g) Process. Describe your firm's proposed methodology/approach in providing the services described herein.

2.5.1(h) Current Workload. Include a brief description of other public agencies or private sector clients with which your firm is currently involved in performing similar services required herein. Address the availability of your staff to provide services in a timely manner.

2.5.1(i) Particular/Unique Qualifications. Describe why your firm is particularly qualified to provide services required herein.

2.5.1(j) Conflicts of Interest. Describe any existing or potential conflicts of interest or any other problems that exist or may arise in performing the services described in this RFP.

2.5.2. Cost Proposal. The Cost Proposal shall include the following:

2.5.2(a) Please provide a list of job classifications and their fully burdened costs, which should encompass one-time charges or a percentage of the loan amount,

reflecting the comprehensive financial scope of ~~outreach costs~~, origination fees, underwriting fees, loan processing fees, ~~and~~ loan servicing fees, ~~and technical assistance fees (including hourly rate for technical services)~~.

2.5.2(b) Estimated cost per loan including job classification and cost proposed per loan.

2.5.2(c) Detailed reimbursable costs for the preparation or execution of the services described in this RFP, if any.

2.5.2(d) Operational projections for a six-year period, on an annual or quarterly basis, providing anticipated cash flows including, but not limited to, total projected loan amounts funded and repaid, interest income, fees paid by the microloan fund, and technical assistance fees paid by LADF. Please remember that a 1.0% charge will be incorporated into the interest rate for LADF's fee.

2.5.3. Appendix. The Appendix shall include responses to all Attachments listed in **Section 6**.

2.6. Standard Terms and Conditions

2.6.1. Compliance with LADF's Standard Terms and Conditions. The firm shall be required to comply with the LADF's Standard Terms and Conditions. LADF's Standard Terms and Conditions are attached as **Attachment 1**. All provisions of the LADF's Standard Terms and Conditions shall be incorporated into the final contract, which may result from this solicitation.

2.6.2 Affirmative Statement of Review of Standard Terms and Conditions. Please prepare and complete an Affirmative Statement of Review of Standard Terms and Conditions. Please include a statement in your response similar to the following:

"We _____ (enter the name of your firm) have reviewed the LADF's Standard Terms and Conditions as specified in this LADF – RFP #006, and accept the provisions as outlined therein."

Please provide a detailed explanation in your response for any and all exceptions and/or deviations to the LADF's Standard Terms and Conditions.

2.7. Period for Acceptance of Offer

In compliance with this RFP, the firm agrees to perform the services as required herein at the prices and costs offered if its offer (i.e. its Technical and Cost Proposals) is accepted by the LADF within 180 days from the due date of proposals.

3. EVALUATION AND SELECTION PROCESS

3.1. Qualifications Required

3.1.1. Demonstrated track record of successfully managing micro-loan underwriting, encompassing tasks such as marketing the program, identifying candidates, assessing borrower creditworthiness, making precise loan eligibility determinations, and establishing a reputation as a leading authority in the field.

- 3.1.2. Demonstrated history of loan underwriting experience and expertise in risk assessment.
- 3.1.3. Experience in maintaining records for regulatory compliance and generating monthly, quarterly, and semiannual reports.
- 3.1.4. Experience in working with government, nonprofit organizations, and small businesses.
- 3.1.5. Familiarity with the City of Los Angeles, especially City departments and City initiatives, and the City's relationships with county, state and federal government.

3.2. LADF Evaluation Criteria.

3.2.1. The LADF will evaluate all proposals received in response to this RFP based on the following criteria:

3.2.1(a) Qualifications, skills, education, and experience of the firm and the personnel who would be assigned to perform the services required herein.

3.2.1(b) Documented past performance in terms of quality of services, product, timeliness, responsiveness, and completeness.

3.2.1(c) Proposed costs and fees, including overall financial feasibility of cost proposal.

3.2.1(d) Quality of the proposal, including thoroughness, logic, completeness, clarity, and methodology/approach, appropriate level of detail and overall responsiveness.

4. GENERAL NOTICES

4.1. Amendments to the RFP

4.1.1. Written Amendments. Any modifications to this solicitation shall be effected in writing and issued as an RFP Amendment Addendum by the LADF. If this solicitation is amended, then all terms and conditions that are not modified remain unchanged. Firms will have sole responsibility for checking their email or the LADF website for any RFP Amendment Addenda. THE LADF WILL NOT MAIL RFP AMENDMENT ADDENDA.

4.1.2. Acknowledgement of Receipt. All interested firms shall acknowledge receipt of any amendment to this solicitation by including a statement in its proposal that it has received the amendment and identifying the amendment number, if any.

4.2. Restriction on Disclosure of Data

Non-Disclosure Markings and Restrictive Legends. Prospective firms which include data or information in their proposals that they do not want disclosed to the public for any purpose or used by the LADF except for evaluation purposes, shall:

4.2.1. Mark the title page with the following legend: "This proposal includes data

that shall not be disclosed outside the LADF and shall not be duplicated, used, or disclosed – in whole or part – for any purpose other than to evaluate this proposal, subject to the California Public Records Act. If, however, a contract is awarded to this prospective firm as a result of, or in connection with, the submission of this data, the LADF shall have the right to duplicate, use or disclose the data to the extent provided in the resulting contract. This restriction does not limit the LADF's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (insert numbers or other identification of sheets)".

4.2.2. Mark each sheet of data it wishes to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

4.3. Proposal Preparation Expenses

Liability for Expenses. The LADF will not, in any event, be liable for any pre-contractual and proposal preparation expenses incurred by the prospective firm. The prospective firm shall not include any such expenses as a part of the price proposed in response to this RFP.

4.4. Rejection of Proposals

Issuance of this RFP and receipt of proposals does not commit the LADF to enter into any contract. The LADF reserves the right to postpone opening of proposals for its own convenience, and to accept or reject any and all proposals received if such actions are in the LADF's interest.

4.5. Right to Negotiate

The LADF reserves the right to negotiate with firms other than the selected firm should negotiations with the selected firm be terminated. Moreover, the LADF reserves the right to negotiate the terms and conditions of the final contract with more than one firm simultaneously, or to cancel all or part of this solicitation, when it is in the LADF's interest to do so.

4.6. Evaluation

Proposals will be evaluated strictly on the content provided by the respondent. The Cost Proposal will impact the overall decision, but it will not be the only factor taken into consideration. The perceived quality and ability to deliver proposed services are also critical to the evaluation.

5. EXHIBITS

5.1. Scope of Work (Exhibit A)

5.2. LADF JEDI Microloan Program Proposed Term Sheet (Exhibit B)

6. ATTACHMENTS

The following documents and forms listed are to be provided in separate electronic files and are incorporated as attachments to this RFP. Please review each document and provide responses

to LADF as instructed below:

- 6.1. LADF Standard Terms and Conditions (Attachment 1) – pursuant to **Section 2.6**, prepare and complete an Affirmative Statement of Review of Standard and Additional Terms and Conditions and include in the Appendix of the “Original” submission packet
- 6.2. LADF Business Profile Form (Attachment 2) – complete for the prime (lead) contractor and for each proposed sub-contractor (*if applicable*) and include in the Appendix of the “Original” submission packet
- 6.3. Responsibility Questionnaire (Attachment 3) – complete and include in the Appendix of the “Original” submission packet
- 6.4. Equal Benefits Ordinance Compliance Form (Attachment 4) - complete and include in the Appendix of the “Original” submission packet
- 6.5. Living Wage Ordinance Compliance Form (Attachment 5) - complete and include in the Appendix of the “Original” submission packet
- 6.6. Non-Profit/One Person Contractor Exemption from Living Wage Form (Attachment 6) – complete, *if applicable*, and include in the Appendix of the “Original” submission packet
- 6.7. LWO/SCWRO Subcontractor Compliance Form (Attachment 7) – complete for each sub- consultant (*if applicable*) and include in the Appendix