



**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the City Administrator
 ATTN: Deborah Edgerly
 FROM: Community and Economic Development Agency
 DATE: June 12, 2007

RE: Resolution To Remove Non-Performing Loans Receivable of Approximately \$806,912 From Oakland Redevelopment Agency Accounts

SUMMARY

For several years, the Independent Auditor that prepares the annual audits for the Redevelopment Agency of the City of Oakland (Agency) has requested that the Agency clear its financial records of loans receivable that have been determined to be non-performing in order to accurately reflect the true financial position of the Agency. Over the past several months, the Agency has performed research into its non-performing loans receivable.

Non-performing loans receivable may be referred to throughout this document as defaulted, doubtful accounts, allowances, delinquent debt, bad debt, and uncollectible accounts. This report provides an overview of the non-performing loans receivable and the attached resolution requests the authority to make adjustments to the General Ledger and remove approximately \$806,912 in identified non-performing loans receivable from the Agency's accounts.

FISCAL IMPACT

In accordance with Generally Accepted Accounting Principles (GAAP), the Agency's defaulted loans are tracked in the Oracle Financial System's allowance for uncollectible accounts under the assumption that certain debts owed to the City will not be paid. As such, the uncollectible loans that are included in this report total \$806,912. This amount will be transacted against the allowance established for bad debt and will be removed from the following funds:

Fund Description	Amount
1989 Bonds (9516)	\$55,700
Central District: Operations (9510)	\$360,943
Low Mod Operations (9580)	\$195,378
Repayment Contract Interest (9514)	\$1,558
Redevelopment Planning Fund (9103)	\$107,109
1986 Bonds (9504)	\$86,214
	\$806,912

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 Finance and Management Committee
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Adjusting the uncollectible accounts and removing them from the Agency's books for these funds and balances will not adversely affect the Agency's anticipated revenue and does not prohibit the Agency from continuing attempts to collect on the remaining balances.

BACKGROUND

This report is in response to a request from the Independent Auditor to remove uncollectible loans from the Agency's accounts for loans that have remained on the books for several years. The Independent Auditor prepares the annual audit of the Agency's accounts.

The following table summarizes the loans which are detailed in Attachment A¹:

Fund	Description	Original Loan	Loan Balance	Amount Paid	Percent Paid
1989 Bonds (9516)	American Uniforms, Inc.	\$55,700	\$55,700	\$0	0.00%
Central District: Operations (9510)	Arts Loan Program	\$250,000	\$67,971	\$182,029	73.00%
Low Mod Operations (9580)	Catholic Charities Housing Development	\$200,000	\$195,378	\$4,622	2.00%
Repayment Contract Interest (9514)	Evergreen Terrace	\$1,550,000	\$1,558	\$1,548,442	99.89%
Redevelopment Planning Fund (9103)	Mitre Business Organization/Growth Opportunities	\$120,000	\$107,109	\$12,891	11.00%
1986 Bonds (9504)	Oakland Convention Center Management	\$100,000	\$86,214	\$13,786	14.00%
Central District: Operations (9510)	Women's Economic Agenda	\$2,420,000	\$292,982	\$2,127,018	88.00%
TOTAL		\$3,995,700	\$807,812	\$3,187,888	79.80%

American Uniforms, Inc.

In February 2003, the former One Stop Capital Shop (Commercial Lending) referred this \$200,000 loan to the Office of the City Attorney. The City Attorney's Office filed an abstract judgment with the courts to collect the outstanding debt. In June 2003, the City Attorney's Office determined that the loan was uncollectible due to the statute of limitations after a prior bankruptcy.

¹ Attachment 1 provides a summary of the Agency's non-performing loans receivable. It includes a description of the funding source, the name of the borrower, the original loan amount, the loan balance as of April 23, 2007, the amount of the loan paid, the percent of the loan paid, and comments.

Arts Loan Program

On July 26, 1994, Agency Resolution No. 94-55 C.M.S. was approved to authorize the Redevelopment Agency Administrator to negotiate a contract with the Oakland Business Development Corporation (OBDC) to administer the \$250,000 Oakland Redevelopment Agency Arts Loan Program. During the course of the program, it was determined that the loan program was not being fully utilized by the arts community. On June 5, 2002, Resolution No. 77241 C.M.S authorized the reallocation of \$150,000 from the Arts Loan Program to the fiscal year 2002-2003 Parades, Runs and Street Festival Fund. As of June 5, 2002, a balance of \$94,057 remained in the Arts Loan fund. Oakland Business Development Corporation (OBDC) reported on October 7, 2004 that as of July 17, 2002, the Arts Loan Program was transferred back to the Cultural Arts Department after the \$150,000 was returned to the City's Crafts & Cultural Arts Department. However, art loans underwritten prior to July 17, 2002 continued to be serviced by OBDC until September 2004. According to Agency Resolution No. 2005-0055, management of the Arts Loan Program was assumed by the Northern California Grant Makers. The two non-profits with remaining balances were the Oakland Ballet and Dance for Power. The Oakland Ballet and Dance for Power defaulted on the loans. A loan balance remains of \$67,971.

Catholic Charities Housing Development

In May 1995, the Redevelopment Agency authorized a loan of \$200,000 to the Catholic Charities Housing Development (CREDO) Organization for predevelopment expenses for a proposed Downtown Gateway housing development project. In early 1997, the developer encountered substantial financial problems and in April 1997 it ceased operations. All of the projects that CREDO managed or had under construction were transferred to other nonprofit developers, but the predevelopment loan for the Downtown Gateway project was uncollectible. Status reports on this situation were presented to the Redevelopment Agency in May 1997 and July 1997, but no action was taken to write off the loan. A loan balance remains of \$195,378.

Evergreen Terrace Housing Corporation

Evergreen Terrace Housing Corporation received loans to develop an 80 unit housing project for low income elderly and physically-challenged persons located at 2nd Avenue and East 12th Street in Oakland. The Agency provided a short-term construction loan in the amount of \$1,400,000 and a residual receipts loan in the amount of \$150,000 to the developer on November 10, 1987. The short-term construction loan had no interest accrual and the \$150,000 loan accrued interest at the rate of 6 percent. Both loans were due on December 31, 1988 and were paid off. The general ledger continues to reflect a balance of \$1,558 although the Agency's project records that are maintained by the Housing Division show that this loan was paid in full.

Women's Economic Agenda Project

The Women's Economic Agenda Project (WEAP) received loans in the amounts of \$2,100,000 (1st) on August 4, 1995 and \$320,000 (3rd) on September 25, 1996 to purchase and renovate a commercial building in Oakland. The loans were secured with Deeds of Trust. WEAP defaulted on these loans and the bank holding an additional loan note (2nd) foreclosed. When the property was sold, the bank paid off the \$2,100,000 (1st) loan but the \$320,000 (3rd) loan was extinguished, since the value of the property was insufficient to cover the three loans. A loan balance remains of \$ 292,982 in the Agency's general ledger.

Additional Loans Included in the Oakland City Auditor's Inventory of Non-performing Loans Receivable, at June 30, 1993

In 1993, the Oakland City Auditor's Inventory of Non-performing Loans Receivable for All City Departments (see Attachment B) included the following two loans which have remained on the books since that time. The Agency has been unable to locate additional records or supporting documents on these two loans:

- **Mitre Business Organization/Growth Opportunities**

In July 1990, the Agency loaned \$120,000 for working capital to the Mitre Business Organization/Growth Opportunities to develop and operate a wool processing mill. The borrower was unable to obtain necessary additional financing. The debt was discharged through bankruptcy court proceedings.

- **Oakland Convention Center Management**

Oakland Convention Center Management ("OCCM") was established by the City to manage the convention center and received a \$100,000 loan from the Agency. In 1995 the City contracted with the Oakland Convention Authority ("OCA"), an entity set up by the Convention and Visitor's Bureau. OCCM was therefore dissolved in 1997 with the City assuming responsibility for any outstanding debt. On the \$100,000 loan, \$13,786 had been paid and a balance remains of \$86,214 remains in the Agency's general ledger.

KEY ISSUES AND IMPACTS

There are several issues related to the loans that have been identified as non-performing.

Although removing these loans will not have any significant impact, the Independent Auditor has requested that the uncollectible loans be cleared so the records will accurately reflect the true financial position of the Agency.

The defaulted, delinquent, non-performing loans that are discussed in this report were determined to be uncollectible for the following reasons:

- Discharged in bankruptcy
- Business liquidated and no longer in existence
- Pending litigation
- Long-term history of non-payment

The majority of these loans are over a decade old and some were identified as uncollectible in a 1993 Oakland City Auditor's Inventory of Non-Performing Loans Receivable (Attachment B) Subsequently, the Agency has been unable to recover any additional documents for some of these loans, as discussed in the background section of this report.

For the past few years, the certified public accountants that prepare the annual independent audit have requested that the Agency remove these notes receivable from its books.² Determining that loans are uncollectible and adjusting the Agency's books to clear them of the remaining balances does not prohibit the Agency from continuing attempts to take action to recover the remaining balances due.

POLICY DESCRIPTION

The Agency does not have a written policy for removing uncollectible loan debt.

SUSTAINABLE OPPORTUNITIES

This report has no sustainable opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

This report has no disability or senior access issues.

RECOMMENDATION(S) AND RATIONALE

Since these loans have been on the Agency's book for several years and the Agency's Independent Auditor has requested that these uncollectible accounts come off the books, staff recommends that the uncollectible loans be removed from the Agency's accounts.

² Notes to Basic Financial Statements, Independent Auditor's Report, Redevelopment Agency of the City of Oakland Financial Report, June 30, 2006, p. 32

ACTION REQUESTED OF THE CITY COUNCIL

Approve the attached resolution authorizing the Agency to remove non-performing loans receivable of \$806,912 from the Oakland Redevelopment Agency accounts.

Respectfully submitted,

For Patrick Hunter

GREGORY HUNTER
Interim Director of Redevelopment, Economic
Development, Housing and Community
Development

Prepared by:
Donna Howell, Administrative Services Manager I
Redevelopment

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

Deborah A. Edgerly

Office of the City Administrator

ATTACHMENTS

Item: _____
Finance & Management Committee
June 12, 2007

ATTACHMENT A

Oakland Redevelopment Agency

Allowance for Doubtful Accounts - General Ledger Account Nos. 12119 and 12319

As of April 23, 2007

9504	1986 Bonds	Oakland Convention Center Management		\$100,000	\$86,214	\$13,786	13.79%	Establish an in-house/co-promotion of special events.				Oakland Convention Center Management ("OCCM") was established by the City to manage the convention center and received a \$100,000 loan from the Agency. In 1995 the City contracted with the Oakland Convention Authority ("OCA"), an entity set up by the Convention and Visitor's Bureau. OCCM was therefore dissolved in 1997 with the City assuming responsibility for any outstanding debt. On the \$100,000 loan, \$13,786 had been paid and a balance remains of \$86,214 remains in the Agency's general ledger.
9510	Central District Operations	Women's Economic Agenda Project (WEAP)	May-95 Jul-96	\$2,100,000 \$320,000	\$292,982	\$2,127,018	87.89%	Acquisition of property/Renovation	1st and 3rd Deed of Trust on property located at 449 15th	City foreclosed on property	See comments	The Women's Economic Agenda Project (WEAP) received loans in the amounts of \$2,100,000 (1st) on August 4, 1995 and \$320,000 (3rd) on September 25, 1996 to purchase and renovate a commercial building in Oakland in. The loans were secured with Deeds of Trust. WEAP defaulted on these loans and the bank holding an additional loan note (2nd) foreclosed. When the property was sold, the bank paid off the \$2,100,000 (1st) loan but the \$320,000 (3rd) loan was extinguished, since the value of the property was insufficient to cover the three loans. A loan balance remains of \$ 292,982 in the Agency's general ledger.

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ATTACHMENT A

Oakland Redevelopment Agency

Allowance for Doubtful Accounts - General Ledger Account Nos. 12119 and 12319

As of April 23, 2007

9514	Repayment Contract Interest	Evergreen Terrace	11/10/88	\$1,550,000	\$1,558	\$1,548,442	99.90%	Housing Acquisition & Development	Deed of Trust	CEDA staff worked with developer to obtain payment	See comments	Evergreen Terrace Housing Corporation received loans to develop an 80 unit housing project for low income elderly and physically-challenged persons located at 2nd Avenue and East 12th Street in Oakland. The Agency provided a short-term construction loan in the amount of \$1,400,000 and a residual receipts loan in the amount of \$150,000 to the developer on November 10, 1987. The short-term construction loan had no interest accrual and the \$150,000 loan accrued interest at the rate of 6 percent. Both loans were due on December 31, 1988 and were paid off. The general ledger continues to reflect a balance of \$1,558 although the Agency's project records that are maintained by the Housing Division show that this loan was paid in full.
9516	1989 Bonds	American Uniforms, Inc.	12/14/95	\$55,700	\$55,700	\$0	0.00%	Working capital	UCC-1 on inventory	Attempted to obtain an abstract judgment	Statute of limitations date to collect lapsed.	In February 2003, the former One Stop Capital Shop (Commercial Lending) referred this \$200,000 loan to the Office of the City Attorney. The City Attorney's Office filed an abstract judgment with the courts to collect the outstanding debt. In June 2003, the City Attorney's Office determined that the loan was uncollectible due to the statute of limitations after a prior bankruptcy.

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ATTACHMENT A

Oakland Redevelopment Agency

Allowance for Doubtful Accounts - General Ledger Account Nos. 12119 and 12319

As of April 23, 2007

Item No.	Project Name	Organization	Date	Original Amount	Current Balance	Interest	Rate	Collateral	Notes	Comments	Disposition
9580	Low Mod Operations	Catholic Charities Housing Development	10/5/95	\$200,000	\$195,378	\$4,622	2.31%	Housing Acquisition & Development	Deed of Trust	CEDA staff worked with developer to collect on delinquent loan	In May 1995, the Redevelopment Agency authorized a loan of \$200,000 to the Catholic Charities Housing Development (CREDO) Organization for predevelopment expenses for a proposed Downtown Gateway housing development project. In early 1997, the developer encountered substantial financial problems and in April 1997 it ceased operations. All of the projects that CREDO managed or had under construction were transferred to other nonprofit developers, but the predevelopment loan for the Downtown Gateway project was uncollectible. Status reports on this situation were presented to the Redevelopment Agency in May 1997 and July 1997, but no action was taken to write off the loan. A loan balance remains of \$195,378.
9103	Redevelopment Planning Fund West Oakland Coliseum Community Investment	Mitre Business Organization/Growth Opportunities	7/20/90	\$120,000	\$107,109	\$12,891	10.74%	Business Development		Amount is determined to be uncollectible due to bankruptcy.	Debt was discharged through bankruptcy court proceedings. Borrower requested funds to operate a wool processing mill. Borrower was unable to obtain necessary additional financing. The plant closed 8/31/91. ¹
		Grand Total			\$806,912						

¹Source: Oakland City Auditor's Inventory of Non-Performing Loans Receivable for All City Departments, at June 30, 1993

Item: _____
 City Council (or Committee)
 Date of Report

CITY OF OAKLAND
Interoffice Letter

To: Distribution List Attention: _____ Date: October 6, 1993

From: Office of the City Auditor

Subject: Inventory of Non-Performing Loans Receivable
for All City Departments, at June 30, 1993

Attached is a copy of the above referenced.

Non-performing loans are so designated for the following reasons:

1. In need of reclassification to grants as per agreements.
2. Discharged in bankruptcy.
3. Business liquidated and no longer in existence.
4. Pending litigation.
5. Long term history of non-payment.

At June 30, 1993, the unpaid balance of the 21 non-performing loans amounts to \$2,149,621.98.

RECOMMENDATIONS

We recommend the following actions:

Loans to be resolved by City Manager's Office	\$ 49,822.79
Loans to be resolved by City Attorney's Office	347,791.60

A definitive report to be prepared by the responsible departments on the likelihood of recovery, with subsequent vigorous follow-up actions by the City Attorney	<u>1,752,007.59</u>
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Total	<u>\$2,149,621.98</u>
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June 12, 2007

Inventory of Non-Performing Loans Receivable
for All City Departments, at June 30, 1993

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October 6, 1993

If you need clarification or additional information, please contact Frank Sommers or me
at extension 3378.

Norma Ng Lau

NORMA NG LAU
City Auditor

Attachment

Distribution List:

Mayor Elihu Harris
City Councilmembers (8)
Craig Kocian
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**CITY OF OAKLAND AND
OAKLAND REDEVELOPMENT AGENCY (ORA)
NON-PERFORMING LOANS TO BE
RESOLVED BY CITY DEPARTMENTS
(Prepared Without Audit by Office of the City Auditor)**

I. <u>Office of the City Manager</u>	<u>Amount</u>	<u>Exhibit I</u>
Living History Center	\$ 9,882.79	Page 4
Pro Arts	20,000.00	Page 4
California Police Summer Games	<u>19,940.00</u>	Page 4
Total	<u>\$ 49,822.79</u>	
II. <u>Office of the City Attorney</u>		
OCCUR	\$ 36,671.64	Page 2
Raymond Castor, Alice Arts Center	200,000.00	Page 5
Gestalt Development Corporation	<u>111,119.96</u>	Page 5
Total	<u>\$ 347,791.60</u>	
III. <u>Other City Departments</u>		
Organized People of Elmhurst Neighborhood, Inc.	\$ 165,000.00	Page 2
Organized People of Elmhurst Neighborhood, Inc.	52,696.53	Page 2
ELDC--Elmhurst Business Plaza, 81st Avenue	45,000.00	Page 3
ELDC--Elmhurst Business Plaza, 81st Avenue	96,773.00	Page 3
Bill Wright Painting & Decorating	17,451.79	Page 3
Dependable Janitorial	4,406.90	Page 3
Bayside Landscaping	2,118.17	Page 3
Bayside Landscaping	200.68	Page 3
Oakland Convention Center Mgmt.	100,000.00	Page 5
Victor Investors, Ltd.	31,064.19	Page 5
ELDC--Coliseum Business Park	40,000.00	Page 5
Shape Products	13,400.20	Page 6
Howard Ransom-Hugh McKay	88,896.13	Page 6
Elmhurst Business Park	975,000.00	Page 6
Growth Opportunities	<u>120,000.00</u>	Page 6
Total	<u>\$1,752,007.59</u>	

**CITY OF OAKLAND AND OAKLAND REDEVELOPMENT AGENCY (ORA)
INVENTORY OF NON-PERFORMING LOANS RECEIVABLE FOR ALL DEPARTMENTS
AT JUNE 30, 1993
(Prepared Without Audit by Office of the City Auditor)**

<u>Program/ Responsible Department</u>	<u>Original Loan Amount</u>	<u>Balance at 6-30-93</u>	<u>Loan Due Date/ Source of Funds</u>	<u>Invoice Date/Number</u>	<u>Current Status and Accounting-Related Information</u>
1. Elmhurst Local Development Corp., 92nd & E Streets/OHND	\$ 70,000.00	\$ 0.00	1-84/CDBG 230	6-22-81/66104-001	All parcels sold. Approved for transfer to grant status on 7-28-92.
2. Electro Mechanical Assembly Company ¹ /OEDE	221,180.00	0.00	4-91/UDAG 278	6-12-81/66105	Firm filed bankruptcy 12-89. Converted to Chapter 7 & discharged on 4-23-90. Approved for write-off on 7-28-92.
3. Minority Contractor Assoc., (Builder Mutual Surety ¹)/OEDE	425,000.00	0.00	11-99/CDBG 230	6-12-81/66106	Business liquidated by State Insurance Commission. Approved for write-off on 7-28-92.
4. Oakland International Trade Center/OEDE	25,000.00	0.00	Indefinite/278	6-17-81/66107	Balance of \$500 written off 7-25-89. Past due fees of \$37,500 not yet accrued & recorded.
5. West Oakland Development Corp., Willow Manner ¹ /OHND	150,000.00	0.00	10-28-83/CDBG 230	12-1-82/73869-001	All parcels sold. Approved for write-off 7-28-92.
	15,000.00	0.00	6-28-85/CDBG 230	6-28-84/73946-001	Litigation pending. Approved for write-off 7-28-92.
6. T.J. International, dba Ivey's Ribs & Spirits ¹ /OEDE	85,000.00	0.00	3-2-88/CDBG 230	3-7-83/73897-001	Business & guarantors filed bankruptcy. Case closed. Approved for write-off on 7-28-92.

¹ External auditors recommend these loans be officially written off.

CITY OF OAKLAND AND OAKLAND REDEVELOPMENT AGENCY (ORA)
INVENTORY OF NON-PERFORMING LOANS RECEIVABLE FOR ALL DEPARTMENTS
AT JUNE 30, 1993
(Prepared Without Audit by Office of the City Auditor)

	<u>Program/ Responsible Department</u>	<u>Original Loan Amount</u>	<u>Balance at 6-30-93</u>	<u>Loan Due Date/ Source of Funds</u>	<u>Invoice Date/Number</u>	<u>Current Status and Accounting-Related Information</u>
7.	U.S. Black Chamber of Commerce, 92nd & E Streets/OEDE	\$ 9,000.00	\$ 0.00	7-31-83/CDBG 230	6-2-83/73903-0010	Loan was for 1983 Business Exposition. Approved for conversion to grant status 7-28-92.
8.	Organized People of Elmhurst Neighborhood, Inc. (OPEN)/ OHND	165,000.00 107,466.99	165,000.00 52,696.53	4-15-91/ORA Repayment 233 --Hsg. Bond 232	1-31-85/78006	Many delays in development. Note needs extension.
9.	North Oakland Trico (NOT), Martin Luther King, Jr. Plaza ¹ /OHND	210,000.00 440,000.00	0.00 0.00	See Note ² /CDBG 230 See Note ² /ORA	7-22-85/78024-001	Project transferred to a new developer. Loan approved for write-off on 7-28-92. Judgment rendered against NOT. Loan approved for write-off on 7-28-92.
10.	Rainbow Workers' Co-op, Inc. ¹ /OEDE	49,100.00	0.00	9-30-95/CDBG 230	4-17-85/78043-001	Business filed for bankruptcy. Case closed. Approved for write-off on 7-28-92.
11.	OCCUR/City Attorney	36,671.64	36,671.64	1-15-91/General 101	10-30-85/78045	City Attorney has offered two approaches for conversion to a grant: (1) documentation of public purpose for funds spent in 1984-85; and (2) provide additional services to City beyond current contract requirements. Follow-up for decision.

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² If development commences.

CITY OF OAKLAND AND OAKLAND REDEVELOPMENT AGENCY (ORA)
INVENTORY OF NON-PERFORMING LOANS RECEIVABLE FOR ALL DEPARTMENTS
AT JUNE 30, 1993
(Prepared Without Audit by Office of the City Auditor)

<u>Program/ Responsible Department</u>	<u>Original Loan Amount</u>	<u>Balance at 6-30-93</u>	<u>Loan Due Date/ Source of Funds</u>	<u>Invoice Date/Number</u>	<u>Current Status and Accounting-Related Information</u>
12. ELDC--Elmhurst Business Plaza, 81st Ave./OEDE	\$ 45,000.00 100,000.00	\$ 45,000.00 96,773.00	15 days after D&D signed/CDBG 230	6-10-87/86122-2 6-30-88/86169	Loan pending execution of Development & Disposition (D & D) Agreement. Long delayed over inability to arrange suitable financing.
13. EDA Loan Program/OEDE & City Attorney:					
Bill Wright Painting & Decorating	50,000.00	17,451.79	11-87/Misc. 278	8-26-87/86141	Chapter 11 bankruptcy declared 5-3-88. Reorganization plan filed with court.
Dependable Janitorial	50,000.00	4,406.90	4-89/CDBG 230	11-4-87/86144	Last payment supposedly made to Golden State Business League, which is out of business.
Bayside Landscaping	50,000.00 4,000.00	2,118.17 200.68	4-89/CDBG 230 --/EDA Misc. Grant 278	4-20-88/86162-001 --/86162-002	Owner passed away. City Attorney has filed a claim with the estate.
14. Michael Starr, Inc., dba Emby Markets ¹ /OEDE	400,000.00	0.00	1-1-95/CDBG 230	4-7-88/86160-2	Filed for Chapter 11 bankruptcy 5-11-88. Case closed. Approved for write-off 7-28-92
15. Dyna Kor ¹ /OEDE	300,000.00	0.00	Not Applicable/ Jobs Bill 231	11-83/200509	City investment in business that declared bankruptcy. Case closed. Approved for write-off 7-28-92.

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CITY OF OAKLAND AND OAKLAND REDEVELOPMENT AGENCY (ORA)
INVENTORY OF NON-PERFORMING LOANS RECEIVABLE FOR ALL DEPARTMENTS
AT JUNE 30, 1993
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<u>Program/ Responsible Department</u>	<u>Original Loan Amount</u>	<u>Balance at 6-30-93</u>	<u>Loan Due Date/ Source of Funds</u>	<u>Invoice Date/Number</u>	<u>Current Status and Accounting-Related Information</u>
16. Oakland Jazz Complex/ City Manager	\$ 4,000.00	\$ 0.00	5-30-81/General 101	8-11-80/62644-001	No contact with borrower since 12-10-82. Approved for transfer to grant status 7-28-92.
17. Living History Center/ City Manager	75,000.00	9,882.79	9-30-93/General 101	11-18-83/66728-001	Entity in bankruptcy. Approved repayment schedule in place to pay off loan on 9-30-93.
18. Black Filmmakers/ City Manager	25,000.00	0.00	6-30-85/General 101	6-29-84/66743-001	Approved for transfer to grant status 7-28-92.
19. Pro Arts/City Manager	25,000.00	20,000.00	7-1-86/General 101	6-29-84/66744	Need for contact by responsible department.
20. Oakland Opera/City Manager	30,000.00	0.00	12-31-85/General 101	5-25-85/76664	Approved for write-off 7-28-92. This entity is no longer in existence.
21. Mary Ann Wright Foundation/ City Manager	4,500.00	0.00	5-6-89/General 101	3-31-89/201307-001	Approved to convert to grant status 7-28-92.
22. Producers Assoc., Inc./ City Manager	25,000.00	0.00	6-1-88/General 101	1-31-88/83235	Loan past due. Last payment made 8-23-91. Approved for transfer to grant status 7-28-92.
23. California Police Summer Games/City Manager	19,940.00	19,940.00	8-31-91/General 101	8-31-92/206648	Assist in expenses for Police Summer Games, to be repaid if event profitable. Financial report necessary. Responsible department needs to follow-up.

CITY OF OAKLAND AND OAKLAND REDEVELOPMENT AGENCY (ORA)
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<u>Program/ Responsible Department</u>	<u>Original Loan Amount</u>	<u>Balance at 6-30-93</u>	<u>Loan Due Date/ Source of Funds</u>	<u>Invoice Date/Number</u>	<u>Current Status and Accounting-Related Information</u>
24. Raymond Castor, Alice Arts Center/City Manager & City Attorney	\$ 200,000.00	\$ 200,000.00	3-16-87/ORA	3-13-85/--	This represents a <i>refundable</i> deposit or to be applied toward purchase. ORA in process of acquiring property. Monthly lease payments held by receiver will be returned to ORA and effectively cancel this deposit.
25. Gestalt Development Corp./ OEDE & City Attorney	70,000.00	111,119.96	9-22-89/ORA	3-29-89/--	Pre-development activities for Herrick House in Preservation Park. Difficulty in arranging financing. D & D canceled 3-10-92. Need authorization for conversion to grant.
26. Victor Investors, Ltd./ OEDE	90,064.19	31,064.19	3-15-86/ORA	12-28-84/~	A stipulation for entry of judgement was signed 11-15-91. Payments to commence 3-1-92, and continue on 11-1 and 5-1, through 5-1-94. First payment of \$30,000.00 received 3-9-92. Second payment of \$8,000.00 & third payment of \$21,000.00 received. Next payment due 11-1-93.
27. Oakland Convention Center Management/OEDE & City Manager	100,000.00	100,000.00	When fund exceeds \$200,000.00/ORA	2-13-91/--	Establish an in-house/co-promotion of special events. Fund for program has a balance of less than \$50,000.00.
28. ELDC Coliseum Business Park/OEDE	40,000.00	40,000.00	5 years after positive cash flow/CDBG 230	8-15-83/73921-001	Pre-development costs. Affiliated with loan to Elmhurst Business Park.

CITY OF OAKLAND AND OAKLAND REDEVELOPMENT AGENCY (ORA)
INVENTORY OF NON-PERFORMING LOANS RECEIVABLE FOR ALL DEPARTMENTS
AT JUNE 30, 1993
(Prepared Without Audit by Office of the City Auditor)

<u>Program/ Responsible Department</u>	<u>Original Loan Amount</u>	<u>Balance at 6-30-93</u>	<u>Loan Due Date/ Source of Funds</u>	<u>Invoice Date/Number</u>	<u>Current Status and Accounting-Related Information</u>
29. Shape Products/OEDE	\$ 13,931.00	\$ 13,400.20	9-1-95/CDBG 230	11-18-85/78046-001	Erratic payment pattern. Close follow up required. Last payment on principal 8-19-91. Still trying to bring outstanding interest to date.
30. Howard Ransom-Hugh McKay/OEDE	112,500.00	88,896.13	9-1-92/CDBG 230	1-19-88/86152-001	Payments consistently in arrears. Substantial balance remaining at maturity date. Last payment 2-19-93. Accrued interest due of \$12,967.83.
31. Elmhurst Business Park/ OEDE	975,000.00	975,000.00	7-15-01/CDBG 230	6-1-90/200532	Balance of land purchase price for shopping center. Toxic problem encountered on site. Prime lender has reconstructed loan. City has entered into new agreements to assist borrower.
32. Growth Opportunities/OEDE & City Attorney	<u>120,000.00</u>	<u>120,000.00</u>	3-1-00/ORA 761	7-20-90/201229	Develop and operate a wool processing mill. Unable to obtain necessary additional financing. Plant closed 8-31-91. City Attorney pursuing City claim.
TOTALS	<u>\$4,937,353.82</u>	<u>\$2,149,821.98</u>			

OFFICE OF THE CITY CLERK

2007 MAY 31 PM 3:23

Approved as to Form and Legality


ORA Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION TO REMOVE NON-PERFORMING LOANS RECEIVABLE OF APPROXIMATELY \$806,912 FROM THE OAKLAND REDEVELOPMENT AGENCY ACCOUNTS

WHEREAS, several non-performing Redevelopment Agency loans have been determined to be defaulted, delinquent, and/or uncollectible; and

WHEREAS, the Independent Auditor that prepares the annual audits for the Redevelopment Agency of the City of Oakland (Agency) has requested that the Agency clear its financial records of loans receivable that have been determined to be non-performing to accurately reflect the true financial position of the Agency; and

WHEREAS, *non-performing loans are so designated because they have been discharged in bankruptcy, the business is liquidated and no longer in existence, there is pending litigation, or a long-term history of non-payment;* and

WHEREAS, the Redevelopment Agency of the City of Oakland has not been able to recover \$806,912 in uncollectible loans that are listed in Attachment 1; and

WHEREAS, uncollectible loans totaling \$806,912 remain in the Agency's accounts for loans spanning more than a decade; and

RESOLVED, That the Agency Administrator be authorized to remove the existing uncollectible loans totaling \$806,912 that are listed in Attachment 1 from Agency's financial records; and be it

FURTHER RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to execute any and all documents related to removal of these loans from the Agency accounts; and be it

FURTHER RESOLVED: That any and all documents necessary to effectuate the intent of this resolution shall be reviewed and approved as to form by the Agency Counsel prior to execution by the Agency Administrator or her designee.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND
CHAIRPERSON DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California

Attachment 1 for Resolution # _____

Agency Accounts of Uncollectible Loans

Fund Description	Amount
1989 Bonds (9516)	\$55,700
Central District: Operations (9510)	\$360,943
Low Mod Operations (9580)	\$195,378
Repayment Contract Interest (9514)	\$1,558
Redevelopment Planning Fund (9103)	\$107,109
1986 Bonds (9504)	\$86,214
	\$808,912