

OFFICE OF THE CITY CLERK
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**CITY OF OAKLAND
COUNCIL AGENDA REPORT**

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Deputy Director of Housing and Community Development
DATE: September 19, 2006

RE: **A Supplemental Report Presenting the Review of Oakland's Consolidated Annual Performance and Evaluation Report (CAPER) for Community Development Block Grant, HOME, Housing Opportunities for People with AIDS and Emergency Shelter Grant Programs Performance for the Year 2005-2006.**

SUMMARY

At the September 12, 2006 Community and Economic Development Committee meeting, staff was directed to prepare a Supplemental Agenda Report on the Consolidated Annual Performance and Evaluation Report for Community Development Block Grant (CDBG), HOME, Housing Opportunities for People with AIDS and Emergency Shelter Grant Programs Performance for the Year 2005-2006. The report provides information on CDBG funds allocated to Economic Development in the Year 2005-2006.

FISCAL IMPACT

There are no fiscal impacts associated with this informational report.

KEY ISSUES AND IMPACTS

The FY 2005-2006 CDBG budget for Economic Development programs was \$2,735,316. Of this amount, \$2,149,559 was allocated to the City's Neighborhood Commercial Revitalization Program, Business Development and Commercial Lending. The remaining amount of \$585,757 was allocated to contractors for economic development programs.

Attachment A provides a breakdown of the \$2,735,316 of CDBG funds allocated to Economic Development in FY 2005-2006.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept this report as a supplemental to the report of September 12, 2006.

Respectfully Submitted,

Handwritten signature of Dan Vanderprieem, with a horizontal line and the word "for" written to the right of the signature.

DAN VANDERPRIEM
Director of Redevelopment, Economic Development
and Housing

Reviewed by:
Sean Rogan, Deputy Director
Housing and Community Development

Prepared By
Michele Byrd, Manager
CDBG Programs

Attachments

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT
COMMITTEE

Handwritten signature of Deborah Edgerly, written over a horizontal line.
Office of the City Administrator

ATTACHMENT A

CDBG Funded Economic Development FY 2005-06

PROGRAM/PROJECT	DESCRIPTION OF ACTIVITY	BUDGET	GOALS	ACCOMPLISHMENTS
<p>Neighborhood Commercial Revitalization (NCR)</p> <p><i>City Operated Program</i></p>	<p>NCR staff works with businesses, property owners, community groups in 15 NCR areas to improve the physical and economic condition of the commercial district. This is accomplished through the collection and analysis of baseline economic data; organizing and assisting merchant associations; implementing the Commercial Property Façade Improvement Program; designing and constructing streetscape improvement projects; assisting with the establishment of Business Improvement Districts (BIDs); developing business directories and other materials to promote shopping and to market NCR areas as locations for new businesses and investors.</p>	<p>CDBG \$1,635,034</p> <p>CDBG funds are used to administer program as follows:</p> <p>Administration \$ 861,459</p> <p>Funds to administer the program. This includes personnel and operating costs.</p> <p>Façade Grants \$773, 575</p> <p>Funds for grants given to merchants and for on-call architectural design services.</p>	<p>Complete of 40 façade improvement projects, the provision of technical assistance to 3 merchant organizations, design and implementation of 2 streetscape plans and 4 streetscape projects, facilitation of 1 catalyst development projects and assistance to establish 3 Business Improvement Districts.</p>	<p>Completed façade improvements on 21 buildings including 40 storefronts; Provided assistance to 15 merchant associations, Provided information to approximately 125 small businesses a quarter; Assisted in the establishment of the Fruitvale BID of 2006 and facilitated the reauthorization of 5 existing BIDs in Temescal, Rockridge, Montclair, Lakeshore/Lake Park and Laurel ; Monitored implementation of streetscape improvement projects in East Oakland on International and Mac Arthur Boulevards; completed streetscape design concept plan for Foothill/Seminary and applied for MTC TLC capital grants for Foothill/Seminary and Foothill/Fruitvale streetscape projects; and updated 3 NCR district profiles. All program goals were not met due to two positions being vacant due to retirements. One retirement occurred in December 2005 and the other in April 2006.</p>

ATTACHMENT A

PROGRAM/PROJECT	DESCRIPTION OF ACTIVITY	BUDGET	GOALS	ACCOMPLISHMENTS
<p>Business Development <i>City Operated Program</i></p>	<p>Business Development Activities; provides management, technical, referral and financial assistance to retain and increase employment; provide technical assistance.</p> <p>Provide information, location advise and research, for new industrial firms seeking space in Oakland, work to retain and increase the local job base within existing firms, and retain industrial businesses in Oakland.</p> <p>Provides information and referrals to startup, existing and new-to-Oakland retailers, restaurateurs, and arts and entertainment businesses citywide</p> <p>Financing, location assistance, and coordination with other city departments for clients seeking office and general commercial space , including research & development, biotech and other educational and scientific research, and technology companies</p>	<p>CDBG \$261,238</p> <p>All CDBG funds are for administration costs to administer the program. This includes personnel and operating costs.</p>	<p>Assist 100 businesses to remain in Oakland; attract 13 new businesses and create and/or retain 1000 jobs.</p> <p>Attract new industrial companies, and retain firms to keep jobs within Oakland, approve 3 new Brownfields loans and two new grants for environmental site assessment of Brownfield sites</p> <p>Increase City's sales tax base Increase shopping options for Oaklanders and visitors to Oakland Increase commercial district vitality</p> <p>Attract and assist in the location of Oakland firms representing the commercial sector, including telecommunication, biotechnology, research & development firms.</p>	<p>Assisted 521 businesses to remain in Oakland, retained 6,033 jobs in Oakland, attracted 16 new businesses and created 137 jobs.</p> <p>Attracted 12 firms interested in moving to Oakland with total of 39 jobs. Managed over \$750,000 in Brownfield existing loans and received two (2) new loan applications.</p> <p>Launched comprehensive Citywide Retail Recruitment Strategy and Implementation Plan with a comprehensive targeted focus on 18 commercial corridors in Oakland. Developed guidelines for Retail Space in Mixed-Use Developments.</p> <p>Provided technical assistance in the Downtown Vacant Office Project by doing an inventory and surveying Downtown Office Buildings with 40%+ vacancy rates. Assisted five (5) building owners with redevelopment issues related to their buildings. Partnering with City Internal Technology Unit to develop and facilitate public/private partnerships for a city-wide wireless internet network.</p>

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<p>Commercial Lending Program (CLP)</p> <p><i>City Operated Program</i></p>	<p>CLP provides owners of small businesses and entrepreneurs in Oakland with training, resources and information to assist in the success of their small businesses. The CLP also provides direct commercial business loans for the purpose of business expansion, attraction and retention with the goal of creating jobs for Oakland residents. Businesses located in one of Oakland's three Enhanced Enterprise Communities (EEC) of West Oakland, East Oakland, and San Antonio/Fruitvale are also eligible to apply for specifically designated low interest business financing programs.</p>	<p>CDBG \$253,287</p> <p>All CDBG funds are for administration costs to administer the program. This includes personnel and operating costs.</p>	<p>Intake assessment and technical assistance to approximately 3,000 clients; workshop classes to over 600 individuals; fund approximately \$1m of loans; increase employment opportunities and create approximately 50 new jobs for low-to-moderate income Oakland residents; oversight management of the Oakland Business Development Corporation, Small Business and Growth Center, and Ultimate Staffing Services</p>	<p>The Commercial Lending office continues to offer the Oakland Small Business community core services through contract services with area non-profits. The Commercial Lending office has been successful in collecting on four defaulted loans totaling \$1.2M. Additionally, the Commercial Lending Unit expanded its scope of services with the Oakland Business Development Corporation authorizing that organization to underwrite commercial loans up to \$249,500.</p>
<p>Business Loan Program (Program Delivery Costs)</p> <p><i>Contractor Operated Program</i></p>	<p>Oakland Business Development Corporation will serve Commercial Loan Program clients requesting loans of less than \$100,000. OBDC will provide loan packaging assistance, and offer one-on-one management and technical assistance in connection with Neighborhood Economic Development Fund (NEDF) and Enhanced Enterprise Community (EEC) loan funds. OBDC will also service all City commercial loans.</p>	<p>CDBG \$372,750</p> <p>All CDBG funds are for administration costs to administer the program. This includes personnel and operating costs.</p>	<p>12 NEDF loans and 6 EEC Section 108 loans. Technical and referral assistance to eligible clients</p>	<p>The City and OBDC amended their agreement allowing for OBDC to underwrite loans up to \$249,500 and executed an Agency Agreement on August 11, 2006. OBDC was successful in marketing City loan programs and underwrote two EEC loan, two ORA loans, four NEDF and three Micro loans.</p>

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<p>Micro Loan Program <i>Contractor Operated Program</i></p>	<p>OBDC operates a micro-loan program (max. \$20,000) on behalf of the City. Loans are intended for micro-enterprises with fewer than 5 employees whose owners are low and moderate income.</p>		<p>10 micro loans. Technical and referral assistance to eligible clients</p>	<p>See above</p>
<p>National Development Council <i>Contractor Operated Program</i></p>	<p>The National Development Council (NDC) is a national consulting firm that provides technical assistance to eligible neighborhood and small business clients of the Community and Economic Agency. NDC is an integral advisory resource to CEDA's CLP when considering complex financing structures for HUD-108 finances projects. NDC will be an important advisor to CLP when developing financing structures for projects involving multiple lenders assuming various security positions.</p>	<p>CDBG \$10,000 All CDBG funds are for administration costs to administer the program. This includes personnel and operating costs.</p>	<p>Assist CLP staff with approximately 6 to 8 projects when considering complex financing structures.</p>	<p>NDC has assisted staff as an integral advisory resource with review and development of complex financing structures for approximately 8 or more projects.</p>
<p>Small Business Growth Center <i>Contractor Operated Program</i></p>	<p>Development and operation of a small-business attraction and retention program.</p>	<p>CDBG \$119,007</p>	<p>Provide management of the operation of the City's supported small business incubator project.</p>	<p>This development of this program is still in progress.</p>
<p>Women's Initiative for Self Employment (WISE) <i>Contractor Operated Program</i></p>	<p>Provide low income women residents of Oakland with microenterprise training, technical assistance and financing services.</p>	<p>CDBG \$84,000 All CDBG funds are for administration costs to administer the program. This includes personnel and operating costs.</p>	<p>WISE will serve 500 low income women. Of these, 88 will enroll in a 10 week core training course, Of those women, 70 will graduate from the program. In addition, clients will start-up, stabilize and/or expand 40 businesses</p>	<p>WISE served over 339 women. Of those, 67 enrolled in the 10 week core training course. Of those women, 57 graduated from the program. Of the women who graduated, 16 had a business start-up, 17 had a business stabilized, 11 had a business expansion and 23 had an existing or established business.</p>