

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2004 JAN 29 PM 6:41

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: February 10, 2004

RE: **REPORT AND RESOLUTION AMENDING RESOLUTION NO. 77823 C.M.S. TO INCREASE THE AMOUNT OF THE CONTRACT WITH THE OAKLAND BUSINESS DEVELOPMENT CORPORATION (OBDC) BY \$80,000 FOR A TOTAL CONTRACT AMOUNT OF \$395,000 DURING FISCAL YEAR 2003-04 TO CONTINUE THE EXPANSION OF OBDC'S LENDING AUTHORITY AND PROVIDE LOAN SERVICING FOR THE CITY'S AND REDEVELOPMENT AGENCY'S LOAN PORTFOLIO, AND ALLOCATING \$2,400 FOR CONTRACT COMPLIANCE**

SUMMARY

The purpose of this report is to request that the City Council approve a resolution amending Resolution No. 77823 C.M.S. and authorizing an increase in the existing professional services agreement with the Oakland Business Development Corporation (OBDC) in an amount not to exceed \$80,000 to allow OBDC to continue 1) servicing all of the City and Redevelopment Agency's commercial loan portfolio and 2) administer additional commercial loan programs on behalf of the City and Redevelopment Agency.

The existing contract with OBDC, approved by Council through the 2003-2004 budget process, totals \$315,000 and is funded through Community Development Block Grant (CDBG) funds. The proposed \$80,000 contract increase would be funded through a combination of CDBG funds, and Coliseum Redevelopment Area-One Stop Capital Shop (OSCS)-Outreach funds. In the future, the professional services agreement for OBDC will include all funding sources in one City Council action.

FISCAL IMPACT

There are two funding sources for the \$80,000 contract increase:

1. **\$26,400** from Commercial Lending Business Delivery funds Org. No. 88579, Fund No. 2108, and Project No. G01900.SC04. (CDBG)
2. **\$53,600** from Commercial Lending, Redevelopment Third Party funds: Org. No. 88579, Fund No. 7780, Project No. C82620.SC04

Funds for outsourcing commercial loan servicing and additional loan underwriting and technical assistance are included in the City's FY03-04 approved budget in an amount sufficient to cover the additional \$80,000 contract amount. Approval and disbursement of this amount will reduce the funding sources by the amounts identified above. An additional \$2,400 shall be appropriated from the Commercial Lending Business Delivery funding source Org. No. 88579, Fund No.

Item: 4

Community & Economic Development Committee
February 10, 2004

2108, Project No. G01900 to the City's Contract Compliance Division of the City Manager's Office.

The source of the existing \$315,000 contract between OBDC and the City of Oakland covering fiscal year 2003-2004 is CDBG funds, approved by City Council through the 2003-2004 budget process. The term of this increase will run concurrently with the term of the existing contract, which is reviewed by the City Council annually.

BACKGROUND

The Oakland Business Development Corporation is a non-profit 501 (c) (3) public benefit corporation founded in 1979 to provide direct loan and technical assistance to Oakland-based small businesses. Historically, OBDC's lending emphasis has been in the seven Community Development (CD) Districts of Oakland. The overall mission of OBDC has been to increase the opportunities of economically disadvantaged entrepreneurs and small business owners through business ownership as well as to create jobs through business development.

The City has contracted with OBDC to provide lending and technical assistance activities to Oakland's small business community for nearly 25 years with funds from the City's annual Community Development Block Grant (CDBG). For the past five years, the basic contract payment amount has been \$315,000 annually. In FY02-03 Council approved an additional \$80,000 payment for OBDC to provide the same commercial loan servicing and additional loan administration and underwriting activities that would be continued in FY03-04 with the \$80,000 payment proposed in this report.

PROJECT DESCRIPTION

A. OBDC Activities under Existing \$315,000 CDBG Contract

I. Administration of City Loan Programs

The two loan programs described below are currently administered by OBDC for the City under the scope of services for its existing \$315,000 contract. OBDC's loan administration activities include solicitation of loan applications, underwriting of loans in conformance with City and HUD standards, loan disbursement, loan collection, and job creation monitoring.

NEDF Loans

For more than 20 years, the key lending program for OBDC has been the Neighborhood Economic Development Fund (NEDF). The NEDF is a Community Development Block Grant (CDBG) based revolving fund that was capitalized by the City in the approximate amount of \$1.25 million. NEDF loans are intended to provide equipment and working capital financing to qualified existing and start-up small businesses in Oakland's seven CD Districts. OBDC has

been contracted to approve and fund NEDF loans up to a maximum of \$60,000 without City approval and \$75,000 with City approval. NEDF borrowers must demonstrate repayment ability and provide reasonable collateral for their loans, while satisfying basic HUD eligibility guidelines including job creation for low-to-moderate income Oakland residents.

Micro Loans

Approximately eight years ago, the City transferred its CDBG-based micro revolving loan fund to OBDC. This fund was capitalized at approximately \$275,000 and was intended to provide micro loans to qualified small businesses in the seven CD Districts. These loans range in size from \$5,000 to \$10,000 for first-time borrowers and up to \$20,000 for borrowers who have successfully repaid an initial City of Oakland micro loan. Loan proceeds can be used for various start-up, equipment and working capital expenses for qualified businesses. Borrowers must demonstrate reasonable repayment ability and provide collateral for their loans, though collateral requirements can be relaxed somewhat compared to NEDF loans. HUD limited clientele micro-enterprise eligibility criteria must be met. This means that the owner(s) of the microenterprise must be low-to-moderate income individuals. A microenterprise is defined by HUD as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise.

II. Technical Assistance

OBDC is also contracted to provide technical assistance to the numerous business owners or prospective business owners who visit or call OBDC on a regular basis. This technical assistance includes assessing which businesses or prospective businesses might be prepared for financing, which program is most appropriate and what referrals can be made, particularly for those businesses which need more assistance than OBDC can provide. OBDC also makes referrals to business owners who need help with City processes, legal services, bank accounts, marketing and other issues, as well as giving general advice on ways they might improve their businesses.

III. Marketing and Outreach

OBDC is required by the terms of its agreement with the City to meet regularly with banks, City departments and various merchant and community groups to discuss referrals and OBDC's programs.

B. OBDC's Activities under \$80,000 Amended Contract

OBDC is currently performing the following duties under its existing contract per City Council's prior decision in November 2002 to amend OBDC's FY 2002-03 contract. The current resolution will appropriate funds in the previously approved amount for OBDC to continue performing these duties.

I. Servicing of City's Commercial Loan Portfolio

In November 2002, OBDC's FY 2002-03 professional services agreement with the City was expanded to provide for OBDC's servicing of the City's entire commercial loan portfolio.

Servicing activities included under this expanded agreement include:

- The mailing of monthly payment invoices to all clients.
- Receipt of payments and posting them to properly reflect borrower's payment of interest and principal prior to forwarding payments to City.
- The preparation of the monthly loan payment status reports identifying payment status of each account, including collection actions taken on all delinquent accounts.
- Referral of defaulted loans three months or more past due to the City for corrective action.
- Monthly coordination and collaboration with CEDA/Commercial Lending to keep staff advised of client-related issues that may or will impact the orderly repayment of specific loans and client actions that represent a failure to comply with loan agreement covenants.
- Job creation monitoring.

II. Administration of Additional City Loan Programs

During the previous fiscal year, OBDC's contract was amended to authorize OBDC to process, approve and fund all City commercial loans under \$100,000. Consequently, the loan application processing, underwriting and disbursement activities for three additional loan programs that were previously performed by CEDA/OSCS were transferred to OBDC. These loan programs include the Enhanced Enterprise Community (EEC) HUD Section 108 loans, Economic Development Administration (EDA) Revolving Loan Fund (RLF) loans, and Oakland Redevelopment Agency Broadway Corridor loans. The transfer of activities funded by the FY02-03 contract amendment was intended to permit the City's limited staff the time needed to focus on program marketing, fiscal clean-up and intensified collection efforts on defaulted loans. The transfer allows the City to take advantage of OBDC's experience and expertise in efficiently processing loans to Oakland's smaller businesses.

EEC HUD Section 108 Loans

The EEC HUD Section 108 loan program provides commercial real estate acquisition and improvement, business equipment purchase and working capital loans for HUD-eligible businesses in Oakland's three EEC areas. Besides the normal credit underwriting and collateral requirements, EEC HUD Section 108 loans must create jobs that are at least 51% filled by low-to-moderate income residents of Oakland's EEC areas. Moreover, at least one job must be created for every \$50,000 of EEC HUD Section 108 loan.

EDA RLF Loans

EDA RLF loans are funded from a revolving loan pool capitalized nearly 20 years ago by a \$193,830 Department of Commerce EDA grant and \$133,929 of CDBG funds. These EDA loans are intended to provide financing for commercial real estate acquisition and improvement, business equipment purchase and working capital. Besides being reasonably credit worthy, EDA loans must also leverage private and other public investment of at least twice their amount, support the City's economic development strategy, and create jobs for Oakland residents.

Broadway Corridor Loans

Broadway Corridor loans are funded from a revolving loan pool capitalized with \$1.25 million of Redevelopment Agency Central District funds as authorized by Agency resolution No. 94-67 approved on October 11, 1994. The funds were intended to promote the Broadway Corridor Revitalization Strategy by establishing a Small Business Retail Loan Program for small retail businesses and commercial property owners within the Broadway Corridor. The Broadway Corridor includes Broadway, Franklin, and Webster Streets from 12th Street to 22nd Street; 12th through 22nd Streets between Webster Street and Broadway; and San Pablo Avenue from 14th Street to 19th Street. Broadway Corridor loan funds were intended to be used for tenant, facade, and life-safety improvements to buildings, as well as working capital for eligible businesses. There is no job creation requirement for the Broadway Corridor loan program.

KEY ISSUES AND IMPACTS

Current Contract Goals and Objectives

The professional services agreement between the City and OBDC for FY 2003-04 set forth the following goals:

1. Package and fund a minimum of twelve (12) NEDF loans within the seven CD Districts according to City and HUD standards.
2. Package and fund a minimum of seven (7) micro revolving loans according to City and HUD standards.
3. Package and fund a minimum of eight (8) loans under \$99,000 from the EEC HUD Section 108, Broadway Corridor, and EDA RLF loan programs according to City, HUD, EDA and ORA standards as applicable.
4. Service the City's commercial loan portfolio according to the duties listed in the preceding section.

The agreement also set forth the following objectives:

1. Market the City's commercial loan program to at least 125 businesses located in commercial-retail areas via cold and/or appointment calls or group presentations within the seven CD Districts, with specific emphasis in the three Enhanced Enterprise Community areas;
2. Call on at least seven merchant associations, with specific emphasis on the three EEC areas.
3. Call on at least four professional organizations and other groups to identify prospects, with specific emphasis in the three EEC areas.
4. Accept applications and determine the feasibility of specific small business and participation loans.

Progress toward Goals and Objectives

Loans Packaged and Funded

<u>Loan Program</u>	<u>FY 2003-04 (6 months)</u>				
	<u>Annual Goal</u>	<u>Actual thru 6 mos. 12-31-03</u>	<u>Total Dollar Amount</u>	<u>Principal Outstanding 12-31-03</u>	<u>Funds Available 12-31-03</u>
NEDF	12	5	\$145,000	\$569,281 ^a	\$510,308
Micro Loan	7	3	43,000	187,586 ^a	88,244
EEC, EDA, Broadway Corridor	<u>8</u>	<u>1</u>	<u>30,000</u>	<u>122,376^a</u>	<u>820,100^b</u>
Total	27	9	\$218,000	\$879,243	\$1,471,415

Notes: a – Includes total principal outstanding on all active OBDC loans in that category as of 12-31-03, not just those funded in FY 03-04.
b – Calculated based on \$500,000 of EEC, \$200,000 of EDA and \$250,000 of Broadway Corridor loan funds allocated to OBDC.

<u>Loan Program</u>	<u>FY 2002-03</u>				
	<u>Annual Goal</u>	<u>Actual 12 mos end 6-30-03</u>	<u>Total Dollar Amount</u>	<u>Principal Outstanding 6-30-03</u>	<u>Funds Available 6-30-03</u>
NEDF	12	8	\$200,975	\$600,326 ^a	\$497,804
Micro Loan	7	6	57,700	164,400 ^a	100,626
EEC, EDA, Broadway Corridor	<u>12</u>	<u>1</u>	<u>99,900</u>	<u>99,900^a</u>	<u>850,100^b</u>
Total	31	15 ^c	\$358,750	\$864,626	\$1,448,530

Notes: a – Includes total principal outstanding on all active OBDC loans in that category as of 6-30-03, not just those funded in FY 02-03.
b – Calculated based on \$500,000 of EEC, \$200,000 of EDA and \$250,000 of Broadway Corridor loan funds allocated to OBDC.
c – Does not include 4 NEDF loans and 2 micro loans which were fully approved but not funded as of 6-30-03.

As shown above, OBDC was slightly behind schedule through the first six months of this fiscal year in achieving its goal of packaging and funding 12 NEDF loans and 7 micro loans. OBDC is obviously behind schedule for FY03-04 in reaching its goal of packaging and funding eight EEC, EDA and Broadway Corridor loans. It should be noted that one EEC loan was fully approved last fiscal year and was expected to fund this fiscal year, but the potential borrower suffered a financial reversal which prevented it from taking the loan. Further details of OBDC's lending and technical assistance activities for the first six months of FY03-04 can be found in Attachment A, OBDC's December 2003 regular monthly report. Attachment B provides a comparative summary of OBDC's lending activity on behalf of the City from FY99-00 through the first six months of FY03-04.

Servicing of City's Commercial Loan Portfolio

OBDC has provided the servicing activity outlined previously for 30 City commercial loans held by 22 different borrowers since those loans were transferred last fiscal year. It has posted payments to borrowers' accounts and remitted checks and borrower payment summaries and delinquency reports to the City on a regular and timely basis.

Technical Assistance

In its mid-fiscal year progress report OBDC shows that through November 20, 2003 it had screened 444 new inquiries, not including OBDC initiated direct mail contacts. It reported to have provided 165 plus hours of technical assistance to these inquires.

Outreach and Marketing

OBDC's mid-fiscal year progress report shows it spent over 30 hours giving 19 presentations to 14 different groups of bankers, merchants and prospective business owners. The report also indicates that OBDC accomplished the following:

- Conducted a direct mail campaign targeting 380 businesses with annual revenues under \$4 million in Oakland's development zones. Program managers followed up with over 500 phone calls to these businesses.
- Directly sponsored five 1-1/2 hour workshops offered through the East Bay Entrepreneur Center. These workshops were attended by over 30 current and prospective business owners.

- Participated in over 15 community meetings with the Fruitvale Main Street/Unity Council, East Bay Asian Local Development Council, Hispanic Chamber of Commerce for Alameda, West Oakland Mandela Project, and Oakland Commerce Corporation.
- Initiated over 40 meetings for marketing and outreach with banks, city departments and community to discuss referrals and OBDC programs, with more than one meeting often scheduled with different members of the sales and management teams.
- Maintained direct contact through phone calls, email, letters and newsletters with 190 individuals from over 42 different banks and financial institutions.

SUSTAINABLE OPPORTUNITIES

Expansion of OBDC's activities under the \$80,000 increased contract amount is expected to result in even greater economic and job growth for the City of Oakland.

DISABILITY AND SENIOR CITIZEN ACCESS

All of OBDC's loan programs and technical assistance will continue to be available to all Oakland citizens regardless of age or disability.

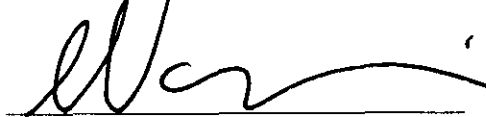
RECOMMENDATION(S) AND RATIONALE

Staff recommends that Council adopt the attached resolution increasing the funding of the OBDC by \$80,000 for the FY03-04 because it will allow OBDC to continue its additional activities of loan servicing for the entire City commercial loan portfolio, and administration of all commercial loans under \$100,000. Approval of this increased contract amount will allow the City to continue leveraging the resources and expertise of OBDC to more effectively serve Oakland's small businesses and the City's commercial loan portfolio. OBDC has proven its expertise in providing micro-loans to small businesses and servicing its own loan portfolio since OBDC's inception and initial contract with the City in 1979. These additional activities will allow the City to take advantage of OBDC's experience and efficiency in providing financing and technical assistance to Oakland's small business community.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the attached resolution amending Resolution No. 77823 appropriating an additional \$80,000 to OBDC for continuation of commercial loan servicing and additional loan administration activities under its expanded scope of services for FY03-04.

Respectfully submitted,

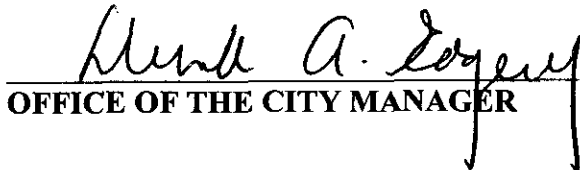


Dan Vanderpriem
Director Economic Development and
Redevelopment

Prepared by:
Mahlon Harmon
CEDA, Commercial Lending

John Quintal
Economic Analyst III
CEDA, Commercial Lending

APPROVED AND FORWARDED TO THE
CITY COUNCIL COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:


OFFICE OF THE CITY MANAGER

**Oakland Business Development Corporation
Monthly Activity Report
For Fiscal Year 2003-2004**

Month: December 2003			Loans Funded	Number		Amount	
	Current	YTD		Current	YTD	Current	YTD
1. New Inquiries	69	525	1. NEDF	1	5	\$15,000	\$145,000
2. Ongoing Clients (NEDF)	5	42	2. Micro Loans [Oakland]	1	3	\$10,000	\$43,000
3. Ongoing Clients (Oakland Micro Loan)	1	8	3. EEC Loans	0	1	\$0	\$30,000
4. Ongoing Clients (EEC)	2	16	4. SBA Loans [inc. Pre-Qual, Express, 7(a)]	5	11	\$122,000	\$157,000
5. Number of New Applicants (NEDF)	3	19	5. Conventional Loans [other, outside lender]	0	0	\$0	\$0
6. Number of New Applicants (Micro Loan)	1	4	TOTAL	7	20	\$147,000	\$375,000
7. Number of New Applicants (EEC)	2	5					
8. Referrals to Other Agencies	40	371					
9. New Business Outreach / Cold Calls (# of businesses)	82	529					
10. Merchant and Professional Org. Outreach (# orgs)	5	55					

Loan Packaging & Review

	In Process Applications (#)		W/D/I* (#)		Packaged (#)		Packaged (\$)		Approved (#)		Approved (\$)	
	Current	YTD	Current	YTD	Current	YTD	Current	YTD	Current	YTD	Current	YTD
1. NEDF	3	22	0	16	2	6	\$35,000	\$166,000	1	5	\$15,000	\$145,000
2. Micro Loans [Oakland]	1	4	0	2	1	3	\$10,000	\$43,000	1	3	\$10,000	\$43,000
3. EEC Loans	2	8	0	5	0	1	\$0	\$30,000	0	1	\$0	\$30,000
4. SBA Loans [inc. Pre-Qual, Express, 7(a)]	2	23	2	10	2	21	\$15,000	\$371,970	1	14	\$5,000	\$262,000
5. Conventional Loans [other, outside lender]	0	0	0	0	0	0	\$0	\$0	0	0	\$0	\$0
TOTALS	8	57	2	33	5	31	\$60,000	\$609,970	3	23	\$30,000	\$480,000

Loan Fund Status

	Funds on Hand	Funds Committed	Balance of Loan Funds
1. NEDF Loan Funds in Bank	\$510,308.47	\$0.00	\$510,308.47
2. Oakland Micro Loan Funds in Bank	\$88,243.81	\$0.00	\$88,243.81

Job Creation / Retention

	Created		Retained	
	New	YTD	New	YTD
2001-2002 jobs created / retained (verified)	N/A	29	N/A	8
2002-2003 jobs created / retained (yet to be verified)	N/A	14	N/A	1
2003-2004 jobs created / retained (proposed)	2	9	1	4

* Funded NEDF, EEC and Oakland Micro Loans only

DEFINITIONS:**In Process:** Client has submitted a complete loan application and OBDC staff is in the process of reviewing application.**Packaged:** Loan application is complete, recommended and sent for final approval to OBDC loan committee, the SBA, or outside lender**Approved:** Commitment letter is sent by OBDC or outside lender, or SBA commits to guarantee loan.**Funded:** Client receives loan check and finalizes all loan closing documentation**W/D/I:** Application withdrawn, declined or made inactive**Current:** Total new activity during this period.**YTD:** Total activity during fiscal year to date

Oakland Business Development Corporation
Summary of City-Funded Lending Activity

FY	<u>NEDF Loans</u>			<u>Micro Loans</u>			<u>Other City-Funded Loans (EEC, EDA & ORA)</u>			<u>All City-Funded Loans</u>			
	<u>Goal</u>	<u>Actual</u>	<u>\$ Amount</u>	<u>Goal</u>	<u>Actual</u>	<u>\$ Amount</u>	<u>Goal</u>	<u>Actual</u>	<u>\$ Amount</u>	<u>Goal</u>	<u>Actual</u>	<u>\$ Amount</u>	<u>Jobs</u>
2003-04	12	5 ^a	\$145,000 ^a	7	3 ^a	\$43,000 ^a	8	1 ^{ab}	\$30,000 ^a	27	16 ^a	\$218,000 ^a	7 ^a
2002-03	12	8	200,975	7	6	57,700	12	1 ^c	99,900	31	15	358,575	14
2001-02	16	17	323,000	12	7	121,169	--	--	--	28	24	444,169	29
2000-01	16	8	351,000	10	7	187,605	--	--	--	26	15	538,605	8
1999-00	<u>16</u>	<u>16</u>	<u>455,463</u>	<u>10</u>	<u>9</u>	<u>98,625</u>	--	--	--	<u>26</u>	<u>25</u>	<u>554,088</u>	<u>30</u>
Total	72	54	\$1,475,438	46	32	\$508,099	20	2	\$129,900	138	95	\$2,113,437	88

a - The actual number of loans by category, their respective total dollar amounts, and the total number of jobs created for all categories that are shown for FY 2003-04 are only for the first six months of the fiscal year.

b - Does not include a \$95,000 EEC loan that was fully approved, but never funded due an unforeseen change in financial condition of prospective borrower.

c - OBDC was not authorized to administer other City funded loans such as the EEC HUD Section 108, EDA RLF, and Broadway Corridor until the last quarter of the 2002-03 fiscal year.

OFFICE OF THE CITY CLERK

APPROVED AS TO FORM AND LEGALITY:

2004 JAN 29 PM 6:42



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER _____

A RESOLUTION AMENDING RESOLUTION NO. 77823 C.M.S. TO INCREASE THE AMOUNT OF THE CONTRACT WITH THE OAKLAND BUSINESS DEVELOPMENT CORPORATION (OBDC) BY \$80,000 FOR A TOTAL CONTRACT OF \$395,000 DURING FISCAL YEAR 2003-04 TO CONTINUE THE EXPANSION OF OBDC'S LENDING AUTHORITY AND PROVIDE LOAN SERVICING FOR THE CITY'S AND REDEVELOPMENT AGENCY'S LOAN PORTFOLIO, AND ALLOCATING \$2,400 FOR CONTRACT COMPLIANCE

WHEREAS, the Oakland Business Development Corporation (OBDC) has had contracts with the City of Oakland since 1979, to provide loan services and technical assistance to Oakland businesses; and

WHEREAS, OBDC effectively manages three existing business micro-loan programs for the City of Oakland as well as exercising lending authority up to \$99,000 under all City of Oakland and Redevelopment Agency commercial loan programs; and

WHEREAS, OBDC has the proven ability, under the existing contract, to service the City's commercial loan portfolio in addition to its own loan portfolio; and

WHEREAS, the existing contract for Fiscal Year 2003-04, authorized by Resolution No. 77823, has leveraged the resources and expertise of the Community and Economic Development Agency's (CEDA) One Stop Capital Shop (OSCS) with those of OBDC to more effectively serve Oakland's businesses and OSCS's loan portfolio; and

WHEREAS, the goal of the existing contract is to increase loan origination to appropriate levels of approximately \$2 million a year, loans have leveraged additional private capital and equity investment in Oakland businesses that otherwise may not have been invested, created new jobs for Oakland's residents, and added to the City's business tax license base; and

**COMMUNITY & ECONOMIC
DEVELOPMENT CMTE**

FEB 10 2004

WHEREAS, the more effective partnering of resources and expertise with OBDC furthers the City Council's goals of coordinating City services in order to attract and support businesses emphasizing sustainability (particularly the creation and retention of jobs for Oakland's low-moderate income residents), especially in neighborhood commercial areas; and

WHEREAS, OBDC currently receives an allocation of \$315,000 of CDBG funds for FY 2003-04 and the additional \$80,000 (Neighborhood Commercial Revitalization Project Development) will bring the total allocation of CDBG funds to \$395,000;

NOW THEREFORE BE IT RESOLVED: That the City Council does hereby authorize an allocation from the Commercial Lending (formally One Stop Capital Shop) Business Delivery project in amount not to exceed \$26,400 (requisite account codes are: Fund 2108, Organization 88579, Project G01900.SC04) and Commercial Lending, Redevelopment Third Party Contract project funds in the amount not to exceed \$53,600 (requisite account codes are: Fund 7780, Organization 88579, and Project C82620.SC04) to OBDC to maintain operational costs through the remainder of the 03-04 fiscal year; and be it

FURTHER RESOLVED: That the City Council does hereby authorize an allocation of \$2,400 of funds from the Commercial Lending Business Delivery project funding source referenced in the previous paragraph to the Contract Compliance Division of the City Manager's Office; and be it

FURTHER RESOLVED: That the City Council hereby amends Resolution No. 77823 C.M.S. to authorize an amendment to the contract with OBDC for FY 2003-04 to increase the funding by \$80,000; and be it

FURTHER RESOLVED: That the amendment of this contract shall be upon and subject to such appropriate terms and conditions as the City Manager or his or her designee may determine; and be it

FURTHER RESOLVED: That the City Manager or his or her designee is hereby authorized to negotiate and execute documents, administer the contract, extend or modify contract terms, and take whatever other action with respect to the contract or the amendment consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That any such documents shall be approved by the Office of the City Attorney and filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST:

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

4

**COMMUNITY ECONOMIC
DEVELOPMENT CMTE**

FEB 10 2004