

**CITY OF OAKLAND**  
**AGENDA REPORT**

OFFICE OF THE CITY CLERK  
2007 JUN 15 PM 1:16

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: July 11, 2006

**RE: Semi-annual Report Regarding The Status Of The City's And Redevelopment Agency's Commercial Loan Programs Including Job Creation Resulting From Commercial Lending Including a Resolution Authorizing The Following:**

- 1. An Agency Resolution Authorizing The Establishment Of A Coliseum Redevelopment Area Revolving Commercial Loan Program With An Initial Appropriation Of Coliseum Redevelopment Funds In The Amount Of \$1,000,000.**

---

**SUMMARY**

The Community and Economic Development Agency (CEDA) is mandated to provide the City Council and Redevelopment Agency a semi-annual informational report on Commercial Lending programs funded by either City, Agency or grant monies. This report is a summary of lending and technical assistance programs administered by both City staff and contracted service providers. Services provided to Oakland's small business community include; loan underwriting, loan servicing, personnel recruitment and placement services, Business Plan Technical Assistance, employment monitoring, and collection of delinquent loans.

The above noted resolution would enable staff to advance the availability of services to Oakland's small business community by: 1) establishing a revolving loan fund that would target commercial loans in the Coliseum Redevelopment area; and 2) approving a \$250,000 appropriation to replenish Neighborhood Economic Development Fund and Micro Loan Fund balances.

**FISCAL IMPACT**

Funding in the amount of \$1,000,000 for the establishment of a Coliseum Redevelopment Project Area revolving loan program is available in Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum Redevelopment Project (S82600).

Resolution No. 79872 C.M.S. (Attachment A) was approved on May 2, 2006, authorizing the appropriation of \$1,839,260 to be used for economic development activities. These funds have been submitted within the Consolidated Plan Annual Action Plan for FY 2006-07 and are available. Of the amount of \$1,839,260, \$250,000 will be used for the recapitalization of Community Development Block Grant (CDBG) revolving loan programs (Micro Loan program

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

and Neighborhood Economic Development Fund (NEDF) program). The funds totaling \$250,000 will be allocated from HUD CDBG Fund (2108) Municipal Lending Organization (88939), Home Maintenance Improvement Project (G08650).

## **BACKGROUND**

In March 2003, City Council approved a restructuring plan for the Commercial Lending Unit that provided mechanisms to improve the overall performance of services offered by the former One Stop Capital Shop. The program modifications were necessary to address concerns of both loan fund providers and the City Council/Redevelopment Agency over performance standards.

The Commercial Lending Unit is comprised of one Manager and two staff persons. Standard activities of the unit include the following: meeting with loan clients, review loan proposals, providing loan disbursement services, preparing and distributing a quarterly workshop and seminar calendar, preparing loan documents for workouts or restructurings, managing collection and foreclosure processes, preparation and coordination of Professional Services contracts, provide staff support to the plan and organize the City's annual Small Business and Youth Symposium, and supply reporting data for inquiries from the City Administrator's Budget Office, City Administrator's Office of Contract Compliance, Finance and Management Agency, City Auditor's Office, City of Oakland Consolidated Action Performance Evaluation Report (CAPER), Community Development Block Grant (CDBG) evaluations, Department of Housing and Urban Development (HUD) and independent auditors.

For the current reporting period, September 2005 – April 2006, City staff and community partners worked to improve existing services and identify gaps in services offered. During this review period, the Commercial Lending staff, consisting of one part-time manager and two FTEs working with contract partners accomplished the following:

- Collected approximately \$384,615 in delinquent and defaulted loans
- Negotiated proposals for the restructuring of three loans
- Received \$81,206 in loan payoffs
- Underwrote 11 new loans to 11 loan clients
- Created opportunities for 4 new jobs to the Oakland economy
- Placed 1 Oakland resident in a new job created from loan proceeds
- Advanced the development of a HUD Section 108 loan repayment strategy
- Evaluated RFP respondent proposals for the re-establishment of a small business incubator program
- Provided seven clients with technical assistance in the development of business/marketing plans

- Executed a \$2,100,000 loan assumption and property transfer agreement
- Identified availability of CDBG Program Income funds for the recapitalization of Oakland Business Development Corporation (OBDC) administered CDBG loan programs
- Identified available Coliseum Redevelopment Project Area funding for formation of a Redevelopment based revolving loan program

Oakland small business owners and entrepreneurs continue to have access to City services designed to assist in their establishment, growth, stability and viability.

### **KEY ISSUES AND IMPACTS**

This informational report and program proposal summarizes the activities undertaken by the Commercial Lending Unit and its service delivery partners beginning September 2005 through April 2006. Actions during that time period included the pursuit and collection of delinquent and defaulted loans, fund and program development, negotiation and execution of Professional Services Agreements with Commercial Lending contracted service providers, contract monitoring, and fiscal management of loan funds.

The Commercial Lending Unit anticipates undertaking the following projects during the upcoming review period:

- Selection of and contract execution with a small business incubator service provider
- Development of Coliseum Redevelopment Area revolving loan program guidelines and marketing program
- *Continuation of Enhanced Enterprise Community program close-out*
- Continued pursuit of delinquent and defaulted loans
- Forward to City Council a proposal to utilize Community Development Block Grant funds to repay HUD for uncollectible Section 108 loan balances

### **Defaulted Loans**

Although the Commercial Lending Unit received both payoffs of loans classified as current and those classified as defaulted, the loan portfolio default rate (32%) remains significantly unchanged from the previous reporting period (Summary #2a). This lack of improvement is due in part to the City Council mandated reporting method which includes in its calculation of default rate active and paid off loans since the program's inception.

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

Commercial Lending staff, in collaboration with the City Attorney’s Office and the Finance and Management Agency, continue to pursue delinquent and defaulted loan balances. As a result of their combined efforts, the following has occurred:

- Collection of \$384,615 in defaulted loans
- Pending collection on a court judgment obtained June 2001 in the amount of \$11,421.71
- City Attorney’s Office has submitted documents to the court to obtain a default judgment in the amount of \$1,899,267

**Professional Services Contracts**

CEDA’s Commercial Lending Unit maintains and monitors four Professional Services Contracts. These contracts are the primary vehicle by which services to Oakland’s small business community are provided. The contracts are with the following organizations:

Oakland Business Development Corporation

The Oakland Business Development Corporation (OBDC) performs three primary services through its contract with the City/Agency. These services include: The marketing and outreach of lending services, servicing of the City/Agency’s loan portfolio, and loan underwriting up to \$249,500.

During the period September 2005 – April 2006, OBDC accomplished the following:

	Loan Program	Annual Contract Target Amount *	No. of Loans Underwritten	Principal Value	Leverage Value
1	NEDF**	10	4	\$75,000	\$242,801
2	Micro Loans	5	3	\$25,000	0
3	EDA/ORA***	4	2	\$384,500	0
4	EEC/EDI****	3	2	\$150,000	\$225,000
	Totals	22	11	\$634,500	\$243,026

\* Annual Contract Target Amounts expires at the end of FY 05/06 (June 30, 2006). OBDC currently has several loans to be funded by the end of the fiscal year.

\*\* Neighborhood Economic Development Fund (NEDF)

\*\*\* Economic Development Administration (EDA)/ Oakland Redevelopment Agency (ORA)

\*\*\*\*Enhanced Enterprise Community (EEC)/Economic Development Initiative (EDI)

Additionally, the OBDC staff has conducted the following outreach efforts promoting City/Agency loan programs:

Item: \_\_\_\_\_  
 CED Committee  
 July 11, 2006

	<b>Outreach Method</b>	<b>Contacts</b>
1	Presentations at East Bay Entrepreneur Center	32
2	Community Meetings	40
3	Partner Outreach Meetings	47
4	Door to Door Visits	28
5	Marketing Letters & Phone Calls	782

It should be noted that of the above-mentioned marketing and outreach methods, 100% of the efforts were directed to Oakland based businesses or entrepreneurs, consistent with the Council supported Economic Gardening policy. OBDC continues to work with Redevelopment staff and CEDA Business Services staff to market lending programs to local businesses identified through other City and community contacts. Refer to Table #4 for a summary of local versus recruited loan clients.

#### Ultimate Staffing

The Commercial Lending program's contract with Ultimate Staffing has two primary deliverables: 1) the monitoring of Enhanced Enterprise Community (EEC) loan clients for compliance with program hiring guidelines, and 2) the recruitment and placement of qualified EEC residents in job vacancies created from job growth as a result of EEC funded loans. Essentially, loan recipients are contractually obligated to create one job for each \$35,000 borrowed and of those jobs created, 51% of the positions must be filled with EEC residents.

Ultimate Staffing has worked diligently with EEC loan recipients to track EEC hires and identify vacancies to be filled by EEC residents. Through the City's contract with Ultimate Staffing their services are offered at no cost to the loan recipients or the potential employer pool. This contract remains as critical today as it did at its inception, due to the program's difficulty in complying with HUD requirements. Loan recipients' difficulty with compliance has been attributed to a misunderstanding of the program hiring requirements, availability of qualified applicant base, program recruitment boundaries inconsistent with primary applicant draw base, and holding tenants of loan recipients responsible for meeting hiring requirements.

Ultimate Staffing, in conjunction with City staff, borrowers, and program partners has increased efforts over this reporting period to positively impact hiring results. Especially in the case of larger loans, Ultimate is working collaboratively with the loan recipients to increase the percentage of EEC residents employed.

#### Williams and Associates

To fill the void left by the closure of the Oakland Small Business Growth Center, the City contracted with Williams and Associates, an independent service provider, for assistance with

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

business and marketing plan development. The under-\$15,000 contract was beneficial in assisting seven entrepreneurs and business owners in constructing or amending their business and/or marketing plans to a point suitable for submittal as supporting documentation with private and public sector business loan applications.

#### National Development Council

Through the City's contract with the National Development Council (NDC), City staff and the OBDC have access to additional technical assistance for the evaluation and structuring of economic development project proposals, identification of alternative funding sources for projects, and complex financial analysis of project pro forma in CDBG eligible areas.

### **Proposed Services and Programs**

#### Small Business Incubator Services

During the last reporting period, the Commercial Lending Unit prepared a Small Business Incubator Services Request for Proposal (RFP) for solicitation of a service provider. Since that time, the RFP was issued and the responses evaluated by Commercial Lending, CDBG and Contract Compliance staff. Of the three responses to the RFP, the review panel has determined that the East Bay Center of Entrepreneurial Excellence's response best fulfilled the requirements and criteria identified in the RFP. Leadership of the East Bay Center of Entrepreneurial Excellence is currently working with CEDA staff to advance their proposal to the implementation stage.

The intent of the incubator is to establish a physical location that offers Oakland small business owners and entrepreneurs an outlet for services helpful to the growth of their business. To guide the potential incubator service provider, staff included a specific project description and scope of services in the Request for Proposal packet to attain those needs that are specific to residents and business owners within the City of Oakland.

Historically, the east Oakland incubator program was exclusively funded with CDBG funds. The ever decreasing nature of CDBG funds has dictated that alternate funding sources be identified if this activity is to be maintained and the service provided to the Oakland small business community. The perceived funding structure of the re-established east Oakland incubator project will rely heavily on private financing and fund raising, with augmentations of public funds for operations and training components. CEDA staff will continue to work with the leadership of the East Bay Center for Entrepreneurial Excellence to design programs consistent with the guidelines and restrictions called out in the RFP.

#### Coliseum Redevelopment Area Revolving Loan Program

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

The Commercial Lending Unit has actively sought to identify additional and complementary revolving loan funding sources to augment federal funding sources that are known to experience regular annual reductions or that are approaching program sunset. Federal loan funds fitting this description include the Economic Development Administration (EDA), Enhanced Enterprise Community (EEC) and Community Development Block Grant (CDBG) programs. Eighty (80) percent of lending programs administered by the City of Oakland's contracted partner, OBDC, and available to the Oakland business community rely on these funding sources for loan fund balances. The reduction of loan program funding sources creates difficulty in the structuring of loan packages flexible enough to meet the borrower's need. The availability and flexibility of funds to lend dictates both the success of the City's lending programs and OBDC's capacity to meet its contract obligations.

Identification of alternate federal funding sources has not been fruitful. Commercial Lending and CEDA staff have identified and submitted two applications for alternate funding sources for lending or small business/entrepreneur assistance programs without success.

Staff proposes to establish a redevelopment loan fund to operate within the boundaries of the Coliseum Redevelopment Project Area. This loan fund will be underwritten with Coliseum Redevelopment funds for the exclusive use of projects within the Coliseum project area. The loan fund would function similar to the currently established Broadway Corridor Loan Fund, which is funded by the Central District Redevelopment Project Area. Staff would design the Coliseum fund in a manner similar to the program structure used in the Central District program, with comparable success targets.

The use of Redevelopment funds, within established Redevelopment Areas, for revolving loan programs has proven to be an effective tool for the OBDC staff as they work with eligible business owners to structure loan packages. The establishment of a loan program targeted to business operators within the Coliseum Redevelopment Area could temporarily augment and eventually replace existing sun-setting loan programs that operate within a similar geographical area.

The initial Coliseum loan fund contribution would be \$1,000,000 from the Coliseum Redevelopment Project Area fund balance. Guidelines of the Coliseum loan fund would be consistent with other loan funds operating in the City of Oakland, be administered by the OBDC, maintain \$249,500 in administrative lending authority, require the leveraging of private investment, and have flexible repayment terms.

#### Contribution of CDBG funds for loan programs

The OBDC organization has aggressively pursued the identification of eligible loan clients throughout the commercial corridors of Oakland. Additionally, OBDC staff has worked

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

diligently with CEDA Redevelopment and Neighborhood Commercial Revitalization (NCR) staff to fund loans to façade improvement clients. During the current review period, OBDC has been instrumental in identifying and funding loans to a locally owned electrical contractor, a chocolatier, a barber college and provided gap financing for an east Oakland housing development project. These loans, as well as the previous successful loans from the Neighborhood Economic Development Fund (NEDF) and the Micro Loan Program have caused a sufficient decrease in available loan fund balances. Although, the NEDF and the Micro Loan programs have far above average loan repayment rates, their monthly repayment contributions are not projected to significantly replenish the respective loan pools to a point that would allow OBDC to approve new loans to clients, based on the availability of loan funds to lend.

Commercial Lending and CDBG staff propose the City Council approval of a one-time contribution of CDBG funds in an amount not to exceed \$250,000 to replenish existing loan funds. This one-time contribution would not require modification to any existing program guideline or structure. Adding these funds to those currently programmed in the CDBG Program Income budget would allow OBDC to continue to make loans through these two long standing CDBG loan programs without undue concern for the rapid depletion of available funds.

#### Summary Documents

Staff has included four spreadsheets which summarize lending, outreach, employment and collection efforts of the Unit for the September 2005 – April 2006 review period.

#### Spreadsheet Summary – The following tables are attached to this report:

1. **Summary spreadsheet of loan portfolio including loan terms, current status and hiring information where appropriate.**
2. **Summary of current and delinquent/defaulted loans** –32 Current Loans, 31 Defaulted Loans, 49% of active loans defaulted and 32% default rate by dollar value.
3. **Summary of loan portfolio pay-offs** – 3 Loan Pay-offs
4. **Summary of local versus recruited business loans** – 85% Loans issued to local businesses

#### **SUSTAINABLE OPPORTUNITIES**

The business training and loan programs offered through the Commercial Lending Unit assist in the sustainability of Oakland through business attraction, retention and job growth.

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

Economic: Commercial Lending program goals support the hiring of local residents and many of the loan funds have specific hiring requirements which complement the City's local hiring goals.

Businesses locating in Oakland support Oakland's economic sustainability and ability to provide services to its resident population through the assessment of taxes and fees.

Environmental: Environmental considerations are applied where applicable.

Social Equity: Loan programs target traditionally underserved communities to provide services in those communities and jobs to residents of those communities.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

Oakland small business owners and entrepreneurs receiving loan funds or City funded services are informed that acceptance of funds or services subject them to compliance with State and Federal regulations regarding accessibility.

### **RECOMMENDATION(S) AND RATIONALE**

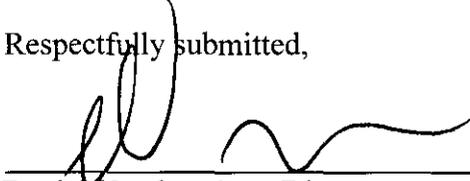
Staff recommends the acceptance of the informational portions of this report and recommends City Council and the Redevelopment Agency authorize the City/Agency Administrator to implement the proposed programs and projects described within this report. City Council/Agency authorization of attached resolutions will provide staff the necessary funds to execute required agreements that will provide the small business community with needed services.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that City Council and the Redevelopment Agency accept this report and approve the attached resolution to:

1. Adopt a Redevelopment Agency Resolution authorizing establishment of a Coliseum Redevelopment Revolving Commercial Loan Fund with an initial appropriation of \$1,000,000 from Coliseum Redevelopment funds.

Respectfully submitted,



---

Daniel Vanderprie, Director  
Redevelopment, Economic Development and  
Housing and Community Development

Prepared by:  
Gregory Hunter, Manager  
Lisa Brown, Project Manager  
Commercial Lending

Attachments

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT  
COMMITTEE



---

Office of the City Administrator

Item: \_\_\_\_\_  
CED Committee  
July 11, 2006

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$1,000,000 and up</b>																
1a	Fruitvale BART Transit Village FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	Current	88 5/251	2/20/96	6/21/99	\$3,300,000	\$3,254,233	\$45,767	204	7.50%	6/1/2016	\$18,226.46 (8/05-7/06)	\$18,226.46 2/10/06	1) 1st deed of trust on current SPUC office building (to be released after project property achieves sufficient value to secure City's loan. 2) 2nd deed of trust on project real estate	FDC experienced a significant book loss and cash reduction as a result of continuing vacancies at Fruitvale Village and requested a six-month deferment of payments. Based on staff's analyses and calculations of our indebtedness to HUD, staff offered a 3 month deferment of their \$18,226.46 monthly payment effective 3/1/06, expiring 5-31-06.
1b		EDI Grant	Grant	N/A			\$3,300,000	\$3,199,920	N/A	N/A	N/A	N/A	N/A	N/A	This flagship project was awarded an EDI grant along with a Section 108 loan by City Council in 1996 to fund pre-development and project development costs. This project impacts the designated San Antonio-Fruitvale EEC targeted area to create much needed retail, social services and housing. This project will create over 200 jobs and has leveraged over \$45 mm of private and public financing. The Section 108 loan and EDI grant completely disbursed project approximately complete.	
2a	Oakland Redev. Agency Jack London Gateway Plaza Shopping Ctr. (aka Acorn Shopping Center) FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	Loan Assumed (see below)	60 0/44	11/4/97	12/15/97	\$2,100,000	\$1,690,889	\$409,131		7.40%	6/1/2006	\$170,913.77 03/22/06	1st deed of trust on project real estate	The \$2.1 mm Section 108 loan approved by Council in 1996 was used to pay for part of ORA's \$2.9 mm acquisition cost of the shopping center. Intent was for loan and companion EDI grant to be assumed by new non-profit purchaser of center. City has received payments of \$1,059,195.42 to date. This loan is expected to be assumed by JLG Associates, LLC by the of February 2006. Loan assumed 3-1-06	
2b		EDI Loan	Converted to a Grant	N/A	11/4/97		\$883,000	\$870,000	\$0		N/A	N/A	N/A	N/A	These EDI funds in the amount of \$883,000 were originally structured as a forgivable loan to pay the balance of the acquisition cost of the Center. Council approved conversion of this loan to a grant in July 1999. EDI grant assumed 3-1-06.	
2c		EDI Grant	Grant	N/A	11/4/97		\$1,217,000	\$596,009	N/A	N/A	N/A	N/A	N/A	N/A	\$1,217 mm EDI grant was authorized for rehabilitation, and debt reserve for Gateway Shopping Center	
3a	JLG Associates LLC - Jack London Gateway Plaza Shopping Ctr. FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	Current		3/1/06	3/1/06	\$1,500,000	\$1,487,792	\$12,208	192	7.55%	3/1/2022	\$ 13,479.01 3/22/06 (4-5-6/06)	\$16,174.82 5/5/06		On March 1, 2006 JLG Associates assumed EEC HUD 108 loan and EEC EDI grant. (\$2.1 mm).
3b		Flagship EEC/RLF-HUD 108	Current		3/1/06	3/1/06	\$600,000	\$592,463	\$7,537	192	7.55%	3/1/2022	\$ 5,391.60	\$5,391.60		On March 1, 2006 JLG Associates assumed EEC HUD 108 loan and EEC EDI grant
4	E. M Health Services FLAGSHIP LOAN	EEC/RLF-HUD 108	Collections	32 0/0	6/1/96	4/27/97	\$1,100,000	\$1,100,000	\$0	72	8.75%	N/A	Defaulted 01/99	1st security interest in business assets	Referred to Collections	
		EDI Loss Reserve					\$1,100,000									

\*As of April, 2006 Job Creation Matrix

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$500,000 - \$999,999</b>																
5	Lake Merritt Hotel Assoc.	Regular HUD 108	Paid in Full	23.0/N/A	8/19/94	\$800,000	\$0	\$800,000	120	7.50%	9/1/2004	\$ 5,593.72	\$756,567.35 6/8/05	1) 2nd deed of trust on project property 2) 2nd deed of trust on multi-unit residential rental property	PAID IN FULL.	
6a	Just Real Estate, LLC	EEC/RLF-HUD 108	CAO	23.0/0	4/11/00	7/21/00	\$800,000	\$800,000	\$0	180	8.00%	8/1/2015	\$13,394 8/2/02	1) 2nd deed of trust on project real estate	CAO is in process of submitting a complaint for breach of contract. Breach of contract was awarded 7-05 to pursue collections on personal property. CAO has attained appropriate court documents to file an abstract judgment against the borrowers to pursue collections.	
6b		EDI Loan	CAO	19.0/0	4/11/00	7/21/00	\$650,000	\$650,000	\$0	180	3.00%	8/1/2015	n/a	2) 4th deed of trust on project real estate	Senior lien-holder acquired property through foreclosure sale in 10/03. Referred to CAO for further investigation to collect our debt. CAO has attained appropriate court documents to file an abstract judgment against the borrowers to pursue collections. CAO is currently waiting for a court ruling for requested default judgment in the amount of \$1,899,267.	
7	Just Desserts, Inc.	EDI Loan	CAO/Bky. Filed	3.0/0	4/11/00	7/21/00	\$100,000	\$98,348	\$1,652	180	3.00%	8/1/2015	\$ 729.70	\$737.00 3/5/03	3) 3rd security interest on furniture, fixtures and equipment purchased	Loan is in default and Just Desserts, Inc. has filed a Chapter 11 - Bankruptcy. Referred to CAO.
8a	Connell Auto Center (Siml Management Corp)	Regular HUD 108	Current	20.0/N/A	5/28/02	9/6/02	\$673,171	\$637,266	\$35,905	163	6.00%	6/1/2016	\$ 4,170.03	\$4,211.73 5/10/06	1) 2nd deed of trust on project property 2) Personal guarantees	Loan is being paid as agreed. Monthly payments calculated on a 330 month amortization schedule with an approximate \$462,239 balloon payment upon maturity in 06/16.
8b		Commercial Industrial Revolving Loan Fund (CIRL)	Current		5/28/02	12/5/02	\$26,829	\$25,385	\$1,444	162	6.00%	6/1/2016	\$ 166.19	\$167.85 5/10/06	1) 2nd deed of trust on project real estate. 2) Personal guarantees	Loan is being paid as agreed.
9	Niman Ranch Properties	EEC/RLF-HUD 108	Current	17.5/61	3/3/99	\$600,000	\$445,062	\$154,938	180	7.50%	8/1/2015	\$ 5,562.07	\$5,617.69 5/5/06	1) 2nd deed of trust on commercial real estate	Loans is being paid as agreed	
10	Niman McConnell	EDI LOAN	Current	17.5/60	3/3/99	\$600,000	\$412,568	\$187,432	180	3.50%	8/1/2015	\$ 4,288.62	\$4,331.51 5/5/06	2) Senior security interest in business assets of Niman Ranch Properties and 2nd position on business assets of Niman Ranch, Inc.	Loan is being paid as agreed.	

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$250,000 - \$499,999</b>																
11a	Sunnise Specialty	EEC/RLF-HUD 108	Current	11.5/7	4/17/01	8/27/01	\$400,000	\$332,377	\$67,623	165	8.50%	12/1/2016	\$ 3,886.37	\$3,978.35 5/5/06	1) 1st deed of trust on 50% portion of Medford property. 2) 3rd deed of trust on 98th Ave. property	Loan is being paid as agreed
11b		EDI Loan	Current	11.5/7	4/17/01	8/27/01	\$396,000	\$309,078	\$86,922	185	4.25%	12/1/2016	\$ 2,978.99	\$3,008.79 5/5/06	3) 2nd deed of trust on 50% portion of Medford property. 4) 4th deed of trust on 98th Ave. property 5) UCC1 filing on equipment, fixtures, inventory	Loan is being paid as agreed
12a	Gregory Truck Body FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	CAO	10.0/0	5/1/97	7/11/97	\$350,000	\$273,584	\$76,416	77	8.25%	6/1/2004	\$190,151.67	1) \$200,000 EDI Loss 10/4/00 Reserve	Referred to CAO to find assets to repay City's debt. Borrower filed a Chapter 11 bankruptcy which has been converted to Chapter 7. Litigation is pending to determine if the City will receive funds from assets through the bankruptcy courts.	
		EDI Loss Reserve				\$200,000										
12b		Regular HUD 108	Paid in Full	4.0/0	12/1/95	2/1/98	\$150,000	\$0	\$150,000	108	9.00%	2/1/2005	\$1,521.40	\$215,870.90 10/4/00	1) Deed of trust on personal residential property. 2) UCC 1 on business assets.	PAID IN FULL.
13	Lamumba Corp. dba Geoffrey's Inner Circle	ORA Broadway Comidor	Paid in Full	N/A	7/8/97	7/15/97	\$271,200	\$0	\$271,200	240	8.00%	8/1/2017	\$ 2,268.43	\$221,123.11 6/18/04	2nd deed of trust on project real estate	PAID IN FULL 06/04
14	Blackboard Entertainment	EEC/RLF-HUD 108	CAO/ Settlement	7.0/0	6/23/98	1/29/99	\$250,000	\$250,000	\$0	84	7.00%	2/1/2006	\$5,800.00 11/10/05	1) 2nd security interest in business assets. 5% preferred stock in company. Personal guarantee of principal 2) \$250,000 EDI Loss Reserve (not to exceed outstanding balance)	\$15,000 Settlement Amount PAID IN FULL - 11/10/05 (Under settlement agreement, through bankruptcy court, City receives \$400/month until the \$15,000 settlement amount is paid in full. Council has authorized designation of this loan as defaulted and the drawdown of EDI Loan Loss Reserve Funds to cover future losses if needed. (Borrower has completed paying as ordered by the court.)	
		EDI Loss Reserve				\$250,000										
15a	3J's & BH Enterprises FLAGSHIP LOAN	EEC/RLF-HUD 108	Paid in Full (CAO/Bky Filed)	7.0/0	6/26/97	6/26/97	\$250,000	\$0	\$250,000	75	8.25%	4/1/2004	\$384,614.54	1) 2nd Deed of trust on commercial property in the amount of \$250,000. 2) 3rd deed of trust on commercial and residential properties in the amount of \$100,000	Referred to CAO for collection actions. The borrower filed a Chapter 7 bankruptcy with a Trustee appointed over the borrower assets. The commercial warehouse has been listed & sale is expected by end of July 2005.	
		EDI Loss Reserve				\$200,000										

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (In months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$100,000 - \$249,999</b>																
15b	3J's & BH Enterprises FLAGSHIP LOAN	EEC/RLF-HUD 108	CAO/Bky Filed	3 0/0	6/26/97	\$100,000	\$61,693	\$0	84	8.50%	8/1/2004	\$1,777.84		1) 1st deed of trust on borrower residence in the amount of \$150,000 & a 2nd deed of trust in the amount of \$100,000.	Referred to CAO for collection actions. The borrower filed a Chapter 7 bankruptcy with a Trustee appointed over the borrower assets.	
		EDI Loss Reserve				\$100,000										
15c		Regular HUD-108	CAO/Bky. Filed	4 0/0	1/11/95	8/5/96	\$150,000	\$149,520	\$480	120	8.50%	2/1/2005	5/1/96	1) 1st deed of trust on personal residence in the amount of \$150,000 & a 2nd Deed of Trust in the amount of \$100,000. 2) 1st lien on machinery & equipment	Referred to CAO for collection actions. The borrower filed a Chapter 7 bankruptcy with a Trustee appointed over the borrower assets.	
16	Gill Electric	ORA Broadway Comidor	Current	N/A	3/29/06	3/29/06	\$249,500	\$248,269	\$1,231	120	6.00%	4/1/2016	\$2,796.96 5/5/06	\$2,796.96 5/5/06	2nd deed of trust on commercial real estate	Newly funded loan through OBDC. Loan is being paid as agreed.
17	Ahmed Dobashi dba Kwikway Laundry	EEC/RLF-HUD 108	Current	7 1/0		\$249,500	\$238,308	\$11,192	120	7.00%	7/1/2015	\$ 2,896.91	\$2,925.88 5/5/06		OBDC - Loan is being paid as agreed.	
18	Technical Leasing Corporation	Regular HUD 108	CAO		1/24/83	\$240,000	\$240,000	\$0	240	11.15%		\$ 2,501.80	2/6/03		Loan defaulted and property foreclosed in 7-84. City sold property for \$400,000 in 8-88 netting \$87,405 after payment of 1st loan and sales expenses. City also paid \$220,751 to keep 1st loan current and perform necessary repairs during its 4-yr ownership. \$8,400 in loan and commitment fees also rec'd in 1983. Referred to CAO to determine the City's position to pursue foreclosure action or request a settlement offer for the vacant land encumbered by the City for collateral.	
19a	Comet Skateboards	EEC/RLF-HUD 108	Default	7.0/-5	5/7/02	7/25/02	\$160,000	\$96,832	\$63,168	89	7.00%	12/1/2009	\$2,640.04	\$37,711.79 10/14/04	Senior lien on all business assets to be purchased with City loan funds.	Loan is in default. Staff is working with borrower to restructure loans to repay loan debt.
19b		EDI LOAN	Default		5/7/02	7/25/02	\$65,000	\$53,474	\$11,526	89	3.00%	12/1/2009	\$627.64	\$4,398.38 10/14/05		Loan is in default. Staff is working with borrower to restructure loans to repay loan debt.
20	General Nutrition Center	EEC/RLF-HUD 108	Settlement	4.0/-11	4/3/00	7/24/00	\$156,000	\$30,316	\$125,684	84	7.50%	8/1/2007	\$ 2,392.77	\$137,998.56 8/14/03	1) Subordinate LCC filing on equipment, fixtures, inventory 2) 2nd deed of trust on personal residence 3) \$65,000 EDI Loss Reserve	Foreclosure action cancelled after loan was partially paid off. City recovered \$137,000 and is pursuing collection of outstanding balance of \$30,000. Loan has Loan Loss Reserve funds to cover losses.
		EDI Loss Reserve				\$65,000										

\*As of April, 2006 Job Creation Matrix

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$100,000 - \$249,999 (cont'd)</b>																
21	Athlete's Foot (The)	EEC/RLF-HUD 108	Paid in Full	4 3/0	4/29/99	11/30/99	\$150,000	\$0	\$150,000	120	7.50%	11/11/2007	\$ 1,780.53	\$159,223.31 11/23/04	1) 2nd deed of trust on residence in the amount of \$150,000 2) 1st security interest in all business assets 3) \$120,000 EDI Loss Reserve	The residential property was acquired by the City on 7/28/04. Referred to Real Estate Services. Property has been sold. Loan was paid in full on 11/23/04.
		EDI Loss Reserve					\$120,000									
22	Print Shop (The)	EEC/RLF-HUD 108	Partially Paid in Full	3.5/1	2/2/99	3/23/99	\$150,000	\$28,000	\$122,000	96	7.00%	11/11/2007	\$ 2,045.06	\$111,840.77 7/22/04	1) UCC-1 filing on equipment, fixtures & inventory 2) 2nd deed of trust on personal residence.	Foreclosure action cancelled after loan was partially paid off. On 7/22/04 City recovered \$111,840.77 and a remaining balance of \$28,000 remains outstanding. Loan has Loan Loss Reserve funds to cover losses.
		EDI Loss Reserve					\$100,000									
23a	Mitchell, Kenneth (Stone's Easy One Stop)	Regular HUD 108	Paid in Full	4.0/N/A	5/1/96 Comm. Date	4/1/97	\$150,000	\$0	\$150,000	180	8.50%	5/1/2011	\$230,370.17 11/15/04	1) 1st deed of trust on project property 2) 2nd deed of trust on residential property 3) Senior security interest in business assets	Loan has been paid in full. Payoff amount combines outstanding principal balances of both Reg HUD 108 loans.	
23b		Regular HUD 108	Paid in Full	3.0/N/A	5/1/96 Comm. Date	4/1/97	\$55,000	\$0	\$55,000	180	8.50%	5/1/2011	\$230,370.17 11/15/04	1) 1st deed of trust on project property 2) 2nd deed of trust on residential property 3) Senior security interest in business assets	Loan has been paid in full. Payoff amount combines outstanding principal balances of both Reg HUD 108 loans.	
24	Game's Landing	CIRL	Litigation	N/A		7/1/99	\$150,000	\$150,000	\$0	30	7.00%	9/1/1999			Last notice from CAO stated commencement of litigation and intent to serve borrower. No status update since. Staff has contact the Collection Division to verify if loan has been referred. Request authorization to write off.	
25a	United Market	EEC/RLF-HUD 108	Current	4 0/0	12/17/02		\$145,000	\$21,437	\$30,000	156	7.00%	6/1/2018	\$ 1,418.58	\$30,000 12/20/05	1) 2nd and 3rd deeds of trust on project real estate 2) Senior lien of FF&E 3) \$30,000 cash reserve 4) Guarantees of principals' other businesses	Loan has been referred to Collections due to non-compliance of loan repayment terms. Applied \$3,500.60 from EDI loan for interest payment from 7/04 through 6/05 on June, 2005
25b		EDI Loan	Deferred		12/17/02		\$105,000	\$3,601	\$0	156	4.00%	6/1/2018	\$ 554.23 7/05 First Due		Loan has been referred to Collections due to non-compliance of loan repayment terms	
26	Moler Barber College	ORA Broadway Corridor	Current	N/A	11/8/05	11/8/05	\$135,000	\$132,299	\$2,701	120	6.00%	12/1/2015	\$1,498.78	\$1498.78 4/5/06	1) 2nd deed of trust on personal residence	Newly funded loan through OBDC. Loan is being paid as agreed.
27	Tri Dot Enterprise dba Domino's Pizza	ORA Broadway Corridor	Current	N/A			\$125,000	\$118,277	\$6,723	120	6.00%	7/1/2015	\$ 1,387.76	\$1,401.64 5/5/06	1) deed of trust on personal residential property.	Newly funded loan through OBDC. Loan is being paid as agreed.

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (In months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$100,000 - \$249,999 (cont'd)</b>																
28a	Pill Hill Printing	EEC/RLF-HUD 108	Bankruptcy	4.0/1	7/24/01	11/26/01	\$120,000	\$116,186	\$3,814	120	8.00%	12/1/2012	\$ 1,562.25	\$1,577.87 5/5/03	1) Senior security interest in business assets. 2) 2nd deed of trust on personal residence in the amount of \$240,000.	Staff has requested authorization from City Council to restructure loan.
28b		EDI Loan	Bankruptcy	4.0/1	7/24/01	11/26/01	\$120,000	\$118,381	\$1,619	120	4.00%	12/1/2012	\$ 727.18	\$734.45 5/5/03		Staff has requested authorization from City Council to restructure loan.
<b>Loans from \$1 - \$99,999</b>																
29	Mercury Computer Corp	ORA Broadway Corridor	Closed			6/23/95	\$100,000	\$100,000	\$0							The owner's filed Chapt. 7 and the BK court discharged the City of Oakland debt. Lawsuit was dismissed by CAO. Request authorization to write off.
30	Frankie's inc dba It's A Grind	ORA Broadway Corridor	Current	N/A		1/26/05	\$100,000	\$86,515	\$13,486	84	5.50%	3/1/2012	\$ 1,437.00	\$1,451.37 5/5/06		OBDC - Loan paid as agreed
31	Upland Sports Group	EEC/RLF-HUD 108	Paid in Full	3.0/0	2/3/03	6/3/03	\$99,900	\$0	\$99,900	84	7.50%	6/1/2010	\$ 1,532.29	\$23,008.04 04/28/05	1) Subordinate deed of trust on personal residence and other real estate. 2) Personal guarantees	PAID IN FULL
32	J. Mainick	EDA	Current	2.0/0	2/26/04	3/31/04	\$99,500	\$88,796	\$10,704	120	6.00%	5/1/2014	\$ 1,054.69	\$1,457.95 5/5/06	1) Business assets 2) 2nd Deed of Trust on commercial property	OBDC - Loan paid as agreed
33	Luka's LLC	ORA Broadway Corridor	Current	3.0/N/A	1/23/04	4/1/04	\$99,500	\$75,807	\$23,693	84	5.25%	8/1/2011	\$ 1,432.22	\$1,432.22 5/5/06	1) 2nd Deed of Trust on personal property	OBDC - Loan is being paid as agreed
34	La Loma Medical Center	EEC/RLF-HUD 108	Paid in Full	3.0/2	4/1/98	5/1/98	\$95,000	\$0	\$95,000	84	8.50%	12/1/2005	\$ 1,504.00	\$4,134.53 10/07/05	1) Senior security interest in business assets. 2) 2nd deed of trust on residential real estate 3) \$95,000 EDI Loss Reserve	PAID IN FULL
		EDI Loss Reserve					\$95,000									
35	Brew's Vision Unlimited dba Brew's	Regular HUD 108	Default/ Foreclosure	3.0/0	6/15/00	6/29/00	\$95,000	\$95,000	\$0	84	8.50%	9/30/2007	\$ 1,463.00	\$1,478.84 5/4/03	1) First security interest in all business assets 2) \$28,640 EDI Loss Reserve	CAO is negotiating a settlement.

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**
<b>Loans from \$1 - \$99,999 (cont'd)</b>															
36 Serendipity Chocolate	EEC/RLF-HUD 108	Current	2.5/0	3/27/06	3/27/06	\$90,000	\$79,025	\$10,975	60	6.00%	4/1/2011	\$1,449.96	\$1,464.46 5/5/06	1) 3rd deed of trust on person residence	Newly funded loan through DBDC. Loan is being paid as agreed
37 MVP Sports	EEC/RLF-HUD 108	Paid in Full	2.1/2	10/4/05	10/4/05	\$90,000	\$0	\$90,000	60	7.50%	10/1/2010	\$1,502.85	\$76,212.80 4/17/06	2nd deed of trust on residential real estate	Paid in Full
38 FunBath Co.	EEC/RLF-HUD 108	Current	3.0/4	8/11/00	9/29/00	\$90,000	\$25,335	\$64,665	84	8.50%	10/1/2007	\$ 1,464.00	\$1,478.84 5/5/06	1) First security interest in all business assets 2) \$28,640 EDI Loss Reserve	Loan is being paid as agreed.
	EDI Loss Reserve					\$28,640									
39a Allan's Ham and Bacon	EEC/RLF-HUD 108	Paid in Full	2.0/0	8/26/99	11/17/99	\$80,000	\$0	\$80,000	84	7.50%	12/1/2006		\$93,732.03 5/27/03	1) 3rd deed of trust on personal residence in the amount \$147,000. 2) 1st Security interest in all business assets	Loan paid-in-full
	EDI Loss Reserve					\$13,000									
39b	EDI Loan	Partially Paid in Full	2.0/0	8/26/99	11/17/99	\$67,000	\$12,659	\$54,341	84	3.50%	12/1/2006		\$15,340.91 1/6/05	\$13,000 EDI Loss Reserve	Borrower has partially paid-down loan. Remaining balance of \$12,659 is outstanding. Council has authorized designation of this loan as defaulted and the drawdown of Loan Loss Reserve Funds to cover future losses if needed. Prepared to offset losses.
40 All About Hair	EEC/RLF-HUD 108	CAO/ Settlement	2.5/0	4/29/99	6/10/99	\$77,000	\$9,182	\$67,818	84	7.00%	12/1/2006		\$472.62 09/15/05	1st Security interest in all business assets	\$25,000 settlement amount Paid in Full. Borrower filed BK. Partial principal discharged. \$25,000 balance being paid through monthly payments by trustee. Plan is being paid as stipulated
	EDI Loss Reserve					\$35,000									
41 Food King Meats Property	EDA	Current	2.0/0	5/20/04	7/12/04	\$68,648	\$65,032	\$3,616	240	5.00%	8/1/2024	\$ 453.05	\$457.58 5/5/06	1) 2nd Deed of Trust on commercial property	OBDC - Loan is being paid as agreed
42 Flex Therapy & Fitness (formerly Work Rehab)	EEC/RLF-HUD 108	Current	2.0/5	11/5/99	7/25/00	\$65,000	\$22,859	\$42,141	84	7.00%	5/1/2008	\$ 981.02	\$990.83 5/5/06	1) UCC filing on equipment, fixtures, inventory 2) \$44,300 EDI Loss Reserve	Loan is being paid as agreed
	EDI Loss Reserve					\$44,300									

\*As of April, 2006 Job Creation Matrix

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security/ Interest/ Collateral	Comments**
<b>Loans from \$1 - \$99,999 (cont'd)</b>															
43	Gazzali's Supermarket	EDA	Current	2 0/0		12/13/04	\$65,000	\$65,000	\$0	60	4.00%	12/1/2010	\$ 1,197.07	\$1,209.04 3/7/06	
44	McNeill Manufacturing Inc.	EDA	Paid in Full	2 0/0	7/1/04	7/26/04	\$60,000	\$0	\$60,000	60	7.00%	8/1/2009	\$ 1,188.07	\$55,755.77 04/26/05	1) 1st priority UCC filing on business assets PAID IN FULL 04/05
45	Playa Azul Restaurant	EEC/RLF-HUD 108	Current	1.5/0	5/4/05	5/16/05	\$60,000	\$54,632	\$5,368	84	6.00%	5/1/2012	\$ 878.51	\$929.54 5/5/06	Loan is being paid as agreed
46	Uniforms of America		Closed			12/1/95	\$55,700	\$55,700	\$0						Uncollectible per CAO due to statute of limitations Request authorization to write off.
47	T P School Supplies	EEC/RLF-HUD 108	Collections	2.0/0	8/25/98	12/23/98	\$55,000	\$27,312	\$27,688	84	8.00%	12/1/2006	\$964.33	\$52,041 07/05	1) Senior security interest in business assets 2) \$55,000 EDI Loss Reserve Loan paid down. Request authorization to write off
		EDI Loss Reserve				\$55,000									
48	Wanda's Cafe Banista	EEC/RLF-HUD 108	Default	2.0/2	10/1/98	11/9/98	\$48,000	\$12,427	\$35,573	84	8.00%	2/1/2006	\$ 748.14	\$755.62 11/2/04	1) Security interest in business assets 2) \$30,000 EDI Loss Reserve Loan is in default Staff is working with borrower to restructure loans to repay loan debt
		EDI Loss Reserve				\$30,000									
49	Android Designs	EEC/RLF-HUD 108	Collections	1.5/0	10/14/98	4/1/99	\$47,500	\$33,956	\$13,544	94	8.00%	11/1/2006	\$761.00	3/1/00	1) Senior security interest in business assets, \$47,000 EDI 2) \$26,000 EDI Loss Reserve Referred to Collections. Borrower notified City of personal bankruptcy 05/00 which led to default on loan. \$14,000 received from seizure and sale of business assets. Due to one action rule, no further collection possible. Litigation file is closed. Council has authorized designation of this loan as defaulted and the drawdown of Loan Loss Reserve Funds to cover future losses if needed. Prepared to offset losses
		EDI Loss Reserve				\$26,000									
50	Glacier Bay	EDA	Paid in Full	1.5/0	3/1/99		\$45,000	\$0	\$45,000	84	4.00%	3/1/2006	\$ 615.10	\$859.25 3/8/06	1) 3rd deed of trust on business real estate. 2) First security interest in all business assets PAID IN FULL
51	Stump & Sons	EDA	Current	2.0/0	3/23/04	4/14/04	\$35,000	\$22,262	\$12,738	60	6.00%	5/1/2009	\$ 676.65	\$683.42 5/5/06	1) Business assets Loan is being paid as agreed
52a	Acapulco Records	EEC/RLF-HUD 108	Current	4.0/4	12/17/98		\$33,000	\$22,303	\$10,697	192	7.50%	6/30/2015	\$ 295.62	\$298.57 5/5/06	1) 2nd deed of trust on project real estate. Loan is being paid as agreed
52b		EDI Loan	Current		12/17/98		\$33,000	\$22,964	\$10,036	192	3.00%	8/30/1900	\$ 240.80	\$243.21 5/5/06	2) 3rd deed of trust on project real estate. Loan is being paid as agreed
52c		EDA	Current		12/17/98		\$33,000	\$24,426	\$8,574	240	4.00%	6/1/2015	\$ 199.97	\$203.97 5/5/06	3) 4th deed of trust on project real estate Loan is being paid as agreed Companion loan to \$33,000 EEC HUD Section 108 and \$33,000 EEC EDI loans See loans above

\*As of April, 2006 Job Creation Matrix

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO  
BY LOAN AMOUNT  
05-19-06**

Borrower Name	Loan Type/ Program	Loan Status	Target Job Creation/ Actual Job Creation*	Approval Date	Initial Funding Date*	Total Amount Approved Loans / Grants / Loan Loss Reserves	Current Principal Outstanding	Total Principal Amount Paid	Term (in months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount/ Date Last Paid	Security Interest/ Collateral	Comments**	
<b>Loans from \$1 - \$99,999 (cont'd)</b>																
53	Simco Construction	EEC/RLF-HUD 108	Paid in Full	1.0/0	8/7/03	10/15/03	\$30,000	\$0	\$30,000	60	10.50%	11/1/2008	\$ 644.82	\$26,654.31 8/2/04	1) Business assets	PAID IN FULL.
54	Steel City Gym	EEC/RLF-HUD 108	Collections / Settlement Offer Pending	1.0/0	11/1/99	11/8/99	\$25,000	\$22,607	\$2,393	84	7.50%	1/1/2007	\$ 386.46	\$600.00 2/1/01	1) Senior security interest in business assets 2) \$10,900 EDI Loss Reserve	Court judgment obtained June 2001. Judgment obtained in the amount of \$27,634.00. Council has authorized designation of this loan as defaulted and the drawdown of Loan Loss Reserve Funds to cover future losses if needed. CAO has transferred to the Collection Unit (Finance Agency) to attain funds. Prepared to offset losses. Settlement offer pending in the amount of \$11,427.
							\$10,900									
55	Black-N-Style	EEC/RLF-HUD 108	Collections	1.0/0	5/17/98 Date of Note	5/13/99	\$20,000	\$18,109	\$1,891	81	7.50%	3/1/2006	\$ 315.42	\$1,000.00 7/27/00	1) 1st security interest in business assets 2) \$15,000 EDI Loss Reserve	Court judgment obtained June 2001. Judgment obtained in the amount of \$19,359. Council has authorized designation of this loan as defaulted and the drawdown of Loan Loss Reserve Funds to cover future losses if needed. CAO has transferred to the Collection Unit (Finance Agency) to attain funds. Prepared to offset losses.
							\$15,000									
56	Day's Publication	Micro Loan	Current	N/A	10/1/94		\$10,000	\$1,620	\$8,380	88	10.25%	10/1/2007	\$ 100.00	\$100.00 5/05/05		Loan is being paid as agreed
57	Just for You Janitorial	Micro Loan	Collections	N/A		1/19/95	\$10,000	\$10,000	\$0	48	10.50%	4/1/1995				Judgement 6/2001. Request authorization to write off.
58	Piazza Pizzeria	Micro Loan	Collections	N/A			\$10,000	\$10,000	\$0	36	10.50%	7/18/1998				The borrower filed Chapt 7 and the BK court discharged the City of Oakland debt. Litigation was dismissed by CAO (COK). Request authorization to write off.
59	R & D Barbecue	Micro Loan	Collections	N/A			\$10,000	\$10,000	\$0	48	10.50%	11/1/1998				Judgement 6/2001. Request authorization to write off.
60	Victor's Cafe	Micro Loan	Collections	N/A			\$10,000	\$10,000	\$0	60	9.50%	2/1/1995				BK (7) 11/01. COA stated BK court estimated zero assets in 3/15/02 letter and was recommending total litigation. No final conclusion obtained. Request authorization to write off.
61	Breahn Construction	Micro Loan	Collections	N/A			\$10,000	\$10,000	\$0	6	10.50%	7/31/1995				Uncollectable per CAO due to statutes of limitations. Request authorization to write off.

## CITY OF OAKLAND

COMMERCIAL LOAN PORTFOLIO SUMMARY  
CURRENT VS. DELINQUENT/DEFAULTED

CURRENT ACCOUNTS		DELINQUENT/DEFAULTED ACCOUNTS			
Borrower	Loan Amount	Borrower	Loan Amount	Collection Initiated	Collection Action
1 Fruitvale Development Corporation	\$3,300,000	1 Just Real Estate, LLC	\$1,450,000	Y	Collections
2 ORA-Jack London (Acorn) Gateway	\$2,100,000	2 EMHS	\$1,100,000	Y	Collections/ Judgment '01
3 Negherbon Auto Center	\$1,000,000	3 Gregory Truck Body	\$350,000	Y	Collections
4 Lake Merritt Hotel Associates	\$800,000	4a 3J's & BH Enterprises	\$250,000	Y	Paid in Full
5 Sunrise Specialty	\$796,000	4b 3J's & BH Enterprises	\$211,693	Y	Collections
6 Connell Auto Center	\$700,000	5 Blackboard Entertainment	\$250,000	Y	Settlement/Closed
7 Niman Ranch Properties	\$600,000	6 United Market	\$55,038	Y	Bankruptcy
8 Niman McConnell	\$600,000	7 Pill Hill Printng	\$240,000	Y	Collections/ Bankruptcy
9 Lamumba Corp. dba Geoffrey's Inner	\$271,200	8 Technical Leasing	\$240,000	Y	Collections
10 Ahmed Dobashi dba Kwikway Laundry	\$249,500	9 Comet Skateboards	\$225,000	Y	Restructured
11 Gill Electric	\$249,500	10 Ken Mitchell (Stone's Easy Stop)	\$205,000	Y	Paid in Full
12 Moler Barber College	\$135,000	11 Athlete's Foot	\$150,000	Y	Paid in Full
13 Tri Dot Enter. dba Domino's Pizza	\$125,000	12 Carrie's Landing	\$150,000	Y	Closed
14 Frankie's Inc. dba It's a Grind	\$100,000	13 Mercury Computer Corp.	\$100,000	Y	Collections
15 Upland Sports Group	\$99,900	14 Just Dessert, Inc.	\$100,000	Y	Litigation
16 Luka's LLC	\$99,500	15 J. Malnick	\$99,500	Y	Payment Plan Pending
17 Acapulco Records	\$99,000	16 Brew's Vision Unlimited	\$95,000	Y	Settlement

**COMMERCIAL LOAN PORTFOLIO SUMMARY  
CURRENT VS. DELINQUENT/DEFAULTED**

CURRENT ACCOUNTS		DELINQUENT/DEFAULTED ACCOUNTS			
Borrower	Loan Amount	Borrower	Loan Amount	Collection Initiated	Collection Action
18 La Loma Medical Center	\$95,000	17 All About Hair	\$46,720	Y	Closed
19 FunBath Co.	\$90,000	18 Uniforms of America	\$55,700	Y	Collections/ Judgment '01
20 MVP Sports & Recreation	\$90,000	19 TP School Supplies	\$27,312	Y	Paid-Down
21 Serendipity Chocolates	\$90,000	20 Wanda's Cofe Barista	\$48,000	Y	Collections/ Court Action
22 Food King Meats Property	\$68,648	21 Android Designs	\$47,500	Y	Partially Paid Off
23 Gazzali's Supermarket	\$65,000	22 General Nutrition Center	\$30,000	Y	Partially Paid Off
24 Flex Therapy & Fitness	\$65,000	23 Allan's Ham & Bacon	\$28,000	Y	Partially Paid Off
25 Playa Azul Restaurant	\$60,000	24 Print Shop	\$28,000	Y	Collections/ Judgment '01
26 McNeill Manufacturing Inc.	\$60,000	25 Steel City Gym	\$25,000	Y	Collections/ Judgment '01
27 Glacier Bay	\$45,000	26 Black-N-Style	\$20,000	Y	Closed
28 Stump & Sons	\$35,000	27 Breahn Construction	\$10,000	Y	Collections/ Bankruptcy
29 Simco Construction	\$30,000	28 Piazza Pizzeria	\$10,000	Y	Collections/ Judgment
30 Los Medanos Fund	\$12,500	29 Just for You Janitorial	\$10,000	Y	Bankruptcy
31 Big O Tires	\$10,000	30 Victor's Café	\$9,742	Y	Collections/ Judgment '01
32 Day's Publications	\$10,000	31 R & D Barbecue	\$7,905	Y	Collections/ Judgment '01
<b>Total Principal Value</b>	<b>\$12,150,749</b>	<b>Total Principal Value</b>	<b>\$5,675,110</b>		
Percent Current of \$ Loaned	68.2%	Percent Defaulted of \$ Loaned	31.8%		

Table #3

## CITY OF OAKLAND

Sept. 2005 - May 2006

**COMMERCIAL LOAN PORTFOLIO SUMMARY**  
**PAID OFF LOANS**

CURRENT ACCOUNTS		DELINQUENT/DEFAULTED ACCOUNTS			
Borrower	Payoff Amount	Borrower	Payoff Amount	Collection Action Concluded	Final Disposition
1 LaLoma Medical Ctr.	\$4,135	1 3Js & BH Enterprises	\$384,615	N	
2 MVP Sports & Rec.	\$76,213				
3 Glacier Bay	\$859				
<b>TOTAL REPAYD</b>	<b>\$81,206</b>	<b>TOTAL RECOVERED</b>	<b>\$ 384,615</b>		

Table #4

**Oakland Grown v. Recruited Firms Performance  
LOAN SUMMARY (1994-2006)\***

	Funding Summary				Performance/Repayment			
	Total No. of Loans	Percent of Approved Loans	Dollar value of Loans Funded	Percent of Dollar Value Funded	Number Current/Paid-off	Loans Current or Paid-off (%)	Number Default/Delinquent	Default/Delinquent Loans (%)
<b>Loan Assistance to:</b>								
<b>Oakland Founded Companies</b>	<b>54</b>	85.7%	<b>\$13,903,407</b>	77.0%	28	51.9%	26	48.1%
<b>Companies Recruited to Oakland</b>	<b>9</b>	14.3%	<b>\$4,156,000</b>	23.0%	5	55.6%	4	44.4%
<b>TOTAL</b>	<b>63</b>		<b>\$18,059,407</b>		33		30	

\* Micro, NEDF, EEC HUD Section 108/EDI, EDA and ORA Broadway Corridor Loan Funds

OFFICE

12F

2006 JUN 10

OFFICE OF THE CITY CLERK

2006 APR 11 PM 1:15

APPROVED AS TO FORM AND LEGALITY:

By: [Signature]  
Deputy City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. 79872 C. M. S.

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

**RESOLUTION 1) AUTHORIZING THE CITY ADMINISTRATOR TO PREPARE AND SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THE CONSOLIDATED PLAN ANNUAL ACTION PLAN FOR FISCAL YEAR 2006-2007; 2) ACCEPTING AND APPROPRIATING FUNDS TOTTALLING \$15,365,549 FOR THE HOME, EMERGENCY SHELTER GRANT, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS, AND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS; AND 3) ALLOCATING \$1,839,260 OF ADDITIONAL PROGRAM INCOME COLLECTED IN FY 2004-05 TO MAKE PAYMENTS OF THE FY 2006-07 REGULAR SECTION 108 LOAN AND THE SECTION 108 LOAN USED FOR THE MARTIN LUTHER KING, JR. PLAZA PROJECT**

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) requires that the City of Oakland prepare and submit a Consolidated Plan as a condition for receiving Federal funds for housing and community development activities; and

**WHEREAS**, the Consolidated Plan should be submitted to HUD by May 15, 2006, but no later than the end of the City's current fiscal year; and

**WHEREAS**, the City has published a draft of the Consolidated Plan Annual Action Plan and has provided for a public comment period of 30 days according to HUD requirements; and

**WHEREAS**, the City desires to accept grants from HUD for the following programs in the following amounts as identified in the Consolidated Plan;

Community Development	
Block Grant (CDBG)	\$8,601,041
HOME	4,426,627
American Dream Downpayment	67,495
Initiative (ADDI)	
Emergency Shelter Grant	365,386
HOPWA	1,905,000

and

& HOPWA funds shall be appropriated to the HUD-ESG/SHP/HOPWA Fund (2103); and be it

**FURTHER RESOLVED:** That for FY 2006-07 the City Council hereby appropriates Program Income totaling \$3,000,000 and appropriates any Program Income in excess of \$3,000,000 to Housing Rehabilitation Programs to allow for additional funding of loans or grants; and be it

**FURTHER RESOLVED:** That the City Administrator is hereby authorized to approve any amendments to the Consolidated Plan, and any amendments, modifications or extensions of FY 2006-07 agreements, with the exception of the allocation of additional funds, and take any other action with respect to the agreements consistent with this Resolution and its basic purpose; and be it

**FURTHER RESOLVED:** That prior to execution, agreements shall be reviewed and approved as to form and legality by the City Attorney, and copies filed with the City Clerk; and be it

**FURTHER RESOLVED:** That the City Council hereby allocates \$1,839,260 of excess CDBG program income collected in FY 2004-05 to make payments in FY 2006-07 and future years on the Regular Section 108 Loan and the Section 108 Loan used for the Martin Luther King Jr., Plaza Project; and be it further

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to conduct negotiations, execute documents, and take any other action with respect to the project and the allocation of CDBG funds consistent with this Resolution and its basic purpose.

**MAY 2 2006**

OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

**PASSED BY THE FOLLOWING VOTE:**

AYES- ~~BRUNNER~~, BRUNNER, CHANG, ~~KERNIGHAN~~, NADEL, QUAN, REID, AND

PRESIDENT DE LA FUENTE — 6

NOES- Brooks - 1

ABSENT- ∅

ABSTENTION- Kernighan - 1

ATTEST:

*LATONDA SIMMONS*

LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California

OFFICE OF  
2006 JUN 29 PM 1:17

Approved as to Form and Legality  
*A. Lewis*  
ORA Agency Counsel

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND

Resolution No. \_\_\_\_\_ C.M.S.

**RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A  
COLISEUM REDEVELOPMENT AREA REVOLVING  
COMMERCIAL LOAN PROGRAM WITH AN INITIAL  
APPROPRIATION OF COLISEUM REDEVELOPMENT FUNDS IN  
THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000)**

**WHEREAS**, the Coliseum Redevelopment Project Area's implementation strategy identifies the revitalization of businesses within the commercial and industrial corridors of the Redevelopment area as an integral component in achieving blight reduction; and

**WHEREAS**, the Redevelopment Agency is the catalyst through which a successful commercial, retail and industrial revitalization strategy can emerge; and

**WHEREAS**, business improvement capital is necessary for the overall support of revitalization plans within the Coliseum Redevelopment Project Area; and

**WHEREAS**, the Redevelopment Agency is interested in providing multiple tools to encourage capital reinvestment throughout the Redevelopment area; and

**WHEREAS**, the establishment of a Coliseum Redevelopment loan fund would provide an additional lending resource for businesses within the area requiring finance capital for further investment; and

**WHEREAS**, in addition to any general authority accorded redevelopment agencies to assist in eliminating blight in redevelopment areas, California Health and Safety Code Sections 33444.5 and 33444.6 provide that the Agency may establish commercial loan programs as a tool for revitalization; now, therefore be it

**RESOLVED:** That the Agency hereby establishes a Coliseum Redevelopment Area Revolving Commercial Loan Fund for development, rehabilitation, and acquisition associated with development or rehabilitation, of property in the project area; and be it

**FURTHER RESOLVED:** That the Agency Administrator is hereby authorized to establish loan fund guidelines, negotiate, execute, amend and extend all agreements needed to establish, operate and administer a Coliseum Redevelopment Area Revolving Loan Fund program, and to delegate authority for operation and administration of the Loan Fund; and be it

**FURTHER RESOLVED:** That the total amount of funding for the Coliseum Redevelopment Area revolving loan program shall not exceed \$1,000,000 and will be allocated from Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659) and Coliseum Redevelopment Project (S82600); and be it

**FURTHER RESOLVED:** That all agreements authorized hereunder shall be approved as to form and legality by Agency Counsel prior to the execution of such agreements by the Agency Administrator.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

**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