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Deputy City Attorney

OAKLAND CITY COUNCIL
- 78810 -
RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NO. 78588 C.M.S. AND AUTHORIZING THE CITY ADMINISTRATOR TO INCREASE THE AMOUNT OF THE AGREEMENT WITH THE OAKLAND BUSINESS DEVELOPMENT CORPORATION (OBDC) BY \$123,400 FOR A TOTAL AMOUNT OF \$512,733 DURING FISCAL YEAR 2004-05 FOR EXPANDED SERVICES AND AN INCREASE OF OBDC'S LENDING AUTHORITY TO \$249,500 FOR CITY COMMERCIAL LOAN PROGRAMS

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

WHEREAS, on February 26, 2002, the City Council approved Resolution No. 76972 C.M.S. authorizing OBDC, among other things, to process, approve and administer commercial loans in amounts up to \$100,000 on behalf of the City to improve the efficiency and cost-effectiveness of those loan programs; and

WHEREAS, OBDC has effectively managed its own commercial loan programs and those additional programs of the City under its expanded City professional services agreement which implements the provisions of Resolution No. 76972 C.M.S.; and

WHEREAS, on June 1, 2004, the City Council approved Resolution No. 78588 C.M.S. authorizing negotiation and execution of a contract with OBDC in the amount of \$389,333 to perform the commercial loan administration services described above for fiscal year 2004-05; and

WHEREAS, the City would like to expand and enhance the loan administration, servicing and technical assistance activities for OBDC for fiscal year 2004-05, including increasing OBDC's maximum lending authority; and

WHEREAS, the City has identified Economic Development Initiative (EDI) and Community Development Block Grant (CDBG) funds to pay the \$123,400 increase in OBDC's FY 2004-05 contract necessary for expansion and enhancement of OBDC's activities described above; and

WHEREAS, further expansion and enhancement of OBDC's lending activities and the increase in OBDC's lending authority to \$249,500 would increase its capacity to lend to small businesses to further the City's goals for expanding, attracting and retaining Oakland businesses, thereby creating job opportunities for low-moderate income Oakland residents; and

WHEREAS, the increase in lending activity that is expected to result from increasing OBDC's lending authority will leverage additional private capital and equity investment in Oakland businesses that otherwise may not be invested, create new jobs for Oakland's residents, and add to the City's business license tax base; and

WHEREAS, staff of the U.S. Department of Housing and Urban Development has approved the City's transfer of its EDI and CDBG commercial lending authority to OBDC; and

WHEREAS, the City Council finds that the agreement with OBDC is for services of a professional or specialized nature; and

WHEREAS, the City Council finds that the agreement shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City Council does hereby amend Resolution No. 78588 C.M.S. to increase the amount of the FY2004-05 professional services agreement with OBDC by \$123,400 to a total of \$512,733 from the following funding sources:

1. **\$77,400** from HUD-EDI Grants Fund (2105), Economic Development Program Project No. H66631)
2. **\$46,000** from HUD-CDBG Fund (2108), OBDC Program Delivery Costs Project. (G02200)

FURTHER RESOLVED: That the City Council authorizes an increase in OBDC's authority to process, approve and administer commercial loans on behalf of the City from up to \$100,000 to up to \$249,500; and be it

FURTHER RESOLVED: That the City Administrator, or her designee, is authorized to conduct negotiations, execute an agreement, amend, modify or extend agreement terms, and take any other action necessary with respect to the contract or amendments consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That a copy of said agreement shall be approved for form and legality by the Office of the City Attorney and shall be placed on file in the Office of the City Clerk.

SEP 21 2004

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, ~~WAN~~, REID, WAN, AND PRESIDENT DE LA FUENTE - 7

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused - 1

ATTEST: *CEDA FLOYD*
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California