

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2019 MAY 16 PM 6:23

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 87722 C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO:

- 1) WRITE-OFF THREE UNCOLLECTIBLE LOANS FOR A TOTAL OF \$241,926 UNDER THE ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN (EDA RL) PROGRAM TO DECREASE REPORTABLE DEFAULT RATE, ENABLING THE CITY TO MAINTAIN THE EDA RL BALANCE FOR FUTURE LOANS TO OAKLAND SMALL BUSINESSES; AND
- 2) AUTHORIZE WITHOUT RETURNING TO COUNCIL, FUTURE SMALL BUSINESS LOANS THAT MEET THE EDA RL GRANT REQUIREMENTS UP TO THE AVAILABLE BALANCE OF \$201,676.30 UNDER EDA AWARD #07-39-02873

WHEREAS, the U.S. Department of Commerce awarded the City \$750,000 in 1988 (award number 073902873) under the Economic Development Administration Revolving Loan Fund (EDA RLF) Program; and

WHEREAS, the City has funded approximately more than fourteen loans since 1991 for a total of \$972,396 under the EDA RLF program, with three loans currently in default status as follows:

<u>Borrower</u>	<u>Default Amount</u>	<u>Default Year</u>
La Placita de Micro Negocios	\$ 43,678	2012
Merritt Bakery & Restaurant	\$162,000	2009
Victor London Photography	\$ 36,248	2009
Total	\$241,926	

and

WHEREAS, the U.S. Department of Commerce EDA strongly advises the City to write-off said loans as uncollectible in order for the City to maintain the balance of EDA RLF Award No. 073902873; and

WHEREAS, the defaulted loans have reach the statute of limitations; and

WHEREAS, a balance of \$201,676.30 is available to the City for future loans to small businesses in Oakland; and

WHEREAS, failure to write-off said EDA RLF balances would put the City in non-compliance with the regulations governing the EDA RLF Program, thereby jeopardizing the City's future use of funds; now, therefore, be it

RESOLVED: That the City Council hereby authorizes and directs the City Administrator or designee, to authorize the write-off of EDA RLF loans listed above for a total of \$ 241,926; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to execute any and all documents related to the write off of the EDA RLF loans listed above; and be it

FURTHER RESOLVED: That upon approval of said loan write-offs the U.S. Department of Commerce EDA will be officially informed by the City Administrator's Office of this action; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator or designee, to negotiate, authorize, and/or appropriate future EDA RLF loans up to the \$241,926 currently available; and be it

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

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or designee to conduct negotiations, execute documents, and take any other action with respect to the EDA RLF program and requirements; and be it

FURTHER RESOLVED: That the EDA RLF loans listed above shall remain subject to collections activity by the City until determined by staff that such activity alone is no longer cost effective or that prospects for recovery no longer exist.

JUN 04 2019

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON-MCELHANEY, KALB, ~~REID~~, TAYLOR, THAO AND PRESIDENT KAPLAN -7

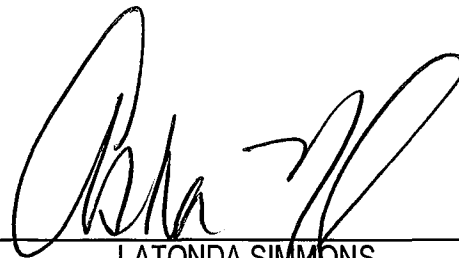
NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - 1 Reid

ATTEST:



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