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OFFICE OF THE CITY CLERK
OAKLAND

**REDEVELOPMENT AGENCY
AND THE CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: January 11, 2011

RE: An Annual Report and Resolutions to:

- 1) Authorize An Increase In Funding For The Oakland Business Development Corporation In An Amount Not To Exceed \$95,800 Of Economic Development Initiative Funds For Fiscal Year 2010-2011, And To Accept A Contribution From The Oakland Redevelopment Agency Under The Cooperation Agreement In An Amount Not To Exceed \$140,912 For Fiscal Year 2010-2011, For A New Total Contract Amount Not To Exceed \$468,552, For Commercial Loan Underwriting Services
- 2) An Agency Resolution Authorizing A Contribution Of \$140,912 To The City Of Oakland Under The Cooperation Agreement, \$100,000 From Coliseum Redevelopment Funds And \$40,912 From Central City East Redevelopment Funds, To Fund Commercial Loan Underwriting Services By The Oakland Business Development Corporation For the Coliseum And Central City East Commercial Revolving Loan Programs For Fiscal Year 2010-2011

SUMMARY

The Community and Economic Development Agency (CEDA) is mandated to provide an annual report to the City Council and Redevelopment Agency on Commercial Lending (CL) programs funded by either City, Agency or grant funds. 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, technical assistance, employment monitoring, and collection of delinquent loans.

In addition, City and Agency resolutions have been prepared for City Council approval to amend Resolution No. 81969 C.M.S. and authorize an increase in the professional services agreement with the Oakland Business Development Corporation (OBDC), in an amount not to exceed \$236,712 for fiscal year 2010-2011, to a new contract total amount of \$468,552, to allow OBDC to: 1) administer additional commercial loan programs on behalf of the City and Redevelopment Agency; 2) increase marketing efforts for existing, modified and new loan programs; and 3) provide significant technical assistance to Oakland's small business community.

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Currently, OBDC provides marketing and outreach of commercial lending services and loan underwriting up to \$249,500. There are seven commercial loan programs provided to the business community that are administered through the OBDC. During this reporting period of July 1, 2009 through October 30, 2010, OBDC has underwritten 35 loans under the City of Oakland commercial loan programs, and 18 loans from other funding sources. These 53 loans total \$2,078,645 in funds lent, leveraging an additional \$7,668,416 of public and private funds, creating 209 job opportunities, and retaining 247 jobs within Oakland businesses.

The existing Community Development Block Grant (CDBG) contract with OBDC was approved by Council through the FY 2009-2011 budget process. The CDBG-funded portion of the contract allots a total of \$231,840 for each year of the FY 2009-2011 fiscal cycle. The proposed \$236,712 contract increase for fiscal year 2010-11 would be funded through a combination of Economic Development Initiative (EDI) funds, Central City East Redevelopment (CCE) and Coliseum Redevelopment funds.

The following is an illustration of the contract cost:

OBDC Contract – FY 10/11	
Funding Sources	Amount
Existing Funding	
CDBG	\$231,840
Newly Requested Funding	
EDI	95,800
CCE Redevelopment	40,912
Coliseum Redevelopment	100,000
Proposed New Total	\$468,552

FISCAL IMPACT

Funding sources for the proposed \$236,712 contract increase for fiscal year 2010-2011 are:

- \$95,800 from Economic Development Initiative (EDI) Grant fund: HUD-EDI Grant Fund (2105), Commercial Lending Organization (88579), Loan Expenditures account (58311), and Economic Development Project (H66631).

EDI grant funds are included in the Agency's FY 2009-11 adopted budget, and approval and disbursement of the requested funds will reduce the Economic Development Initiative (EDI) Grant Fund by \$95,800.

- \$40,912 from Central City East (CCE): Central City East Operations Fund (9540), Central City East Organization (88699), Miscellaneous Operating Expenses account (52921), Central City East Redevelopment Project (S233310).

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CCE grant funds are included in the Agency's FY 2009-11 adopted budget, and approval and disbursement of the requested funds will reduce the Agency's Central City East funds by \$40,912.

- \$100,000 from Coliseum (CRA): Coliseum Redevelopment Operations Fund (9450), Coliseum Organization (88659), Miscellaneous Operating Expenses account (52921), Coliseum Project (S82600).

Coliseum grant funds are included in the Agency's FY 2009-11 adopted budget, and approval and disbursement of the requested funds will reduce the Agency's Coliseum funds by \$100,000.

BACKGROUND

Currently, the City of Oakland has the following financial programs available to the business community: A newly launched HUD Section 108/EDI 2010 Loan Program, Coliseum and Central City East Redevelopment Area Revolving Loan Funds, Broadway Corridor Revolving Loan Fund, Economic Development Administration (EDA) Loan Fund, Neighborhood Economic Development Fund (NEDF), and the Micro Loan Fund. These programs have been useful tools in the assistance of hundreds of businesses. However, given the current economic climate and forecasting the future economic challenges, staff has implemented and proposed various loan financing models to better utilize City funds and meet the current needs of Oakland's business community.

Since the last report, staff has established a newly expanded HUD 108 Loan Program. To better impact the small business community, an expansion of the three Enhanced Enterprise Community (EEC) designated target areas has been extended to the seven Community Development (CD) districts. This loan fund currently has approximately \$1.7 million available to lend and the availability to drawdown \$6 million for the future lending of these HUD Section 108 funds.

The current activities of the Neighborhood Economic Development Fund (NEDF) and the Micro Loan Program provide start-up and direct financing to Oakland-based businesses for working capital, inventory and equipment. These programs are unique in the ability to provide much needed capital to Oakland's underserved business communities. There have been 22 loans funded under this program during this reporting period.

The Commercial Lending Unit is currently comprised of one Commercial Loan Administrator and two staff persons. *Standard activities* of the unit include:

- Occasionally meeting with loan clients and reviewing loan proposals;
- Loan servicing for a diversified loan portfolio, i.e., collection of loan payments, monitoring insurance policies, auditing internal posting of loan payments;
- Review the credit underwriting of all loans prior to loan approval;

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- Track City loan funds to the leveraging with financing private financing and investment capital;
- Providing loan disbursement services;
- Coordination and monitoring of job creation and job retention in accordance to loan funds disbursed;
- Occasional preparation of loan documents for redevelopment projects;
- Preparing loan documents for workouts or restructurings;
- Managing collection and foreclosure processes and preparation;
- Managing HUD drawdowns, repayment of HUD notes and short-term investment;
- Coordination and monitoring of Professional Services contracts; and
- Supplying reporting data for inquiries from the City Administrator's Budget Office, the Department of Contracting and Purchasing, the Finance and Management Agency, the City Auditor's Office, City of Oakland Consolidated Action Performance Evaluation Report (CAPER), Community Development Block Grant (CDBG) evaluations, Economic Development Administration (EDA), Department of Housing and Urban Development (HUD) and independent auditors.

For the reporting period of **July 1, 2009 through October 30, 2010**, City staff and the Oakland Business Development Corporation (OBDC) worked to improve existing lending services and identify gaps in services offered. The Commercial Lending (CL) staff has established lending goals in the OBDC contract that are anticipated to be met annually. The details of the goals established in the OBDC contract and the actual goals met have been outlined on page 6 under the OBDC Professional Service Contract section. CL staff has worked diligently with OBDC staff to ensure that all contract goals established in the OBDC contract with the City have been met and/or exceeded. During this review period, the CL staff working with the OBDC has **accomplished** the following by utilizing City-funded commercial loan programs:

- Underwrote 35 new loans totaling \$2,577,294.
- Leveraged \$7,668,416 million in private financing and investment capital.
- Created 209 jobs opportunities in Oakland.
- Retained 247 jobs within Oakland businesses.
- Participated in the U.S. Department of Housing and Urban Development public offering in June 2010 for Section 108 Loan Guaranteed Loan programs to refinance and substantially reduce interest rates on two outstanding trust certificates (Notes). Refinancing these two Notes will result in a total savings of \$712,000 through the Notes' maturity dates of August, 2016.
- Expanded the geographical boundaries of the Enhanced Enterprise Communities (EEC) three designated target areas including the seven Community Development (CD) districts to better impact and serve the small business community with financing opportunities, as shown in **Attachment A**.
- The Commercial Lending unit has been included under the umbrella of the Business Assistance Center (BAC) to optimize the level of service and resources provided by the BAC, by maintaining a centralized first point of contact for the business community, to better coordinate a strong outreach effort program to Oakland's

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Community Service Providers, and to have an effective relationship with various City Departments.

Commercial Lending staff believe that these achievements represented satisfactory performance towards its goals during the period evaluated in this report. 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 report summarizes the activities undertaken by the Commercial Lending Unit and its service delivery partners from July 1, 2009 through October 30, 2010. Actions during this reporting period include the pursuit and collection of delinquent and defaulted loans, negotiation and execution of two Professional Services Agreements with Commercial Lending contracted service providers, contract monitoring, and fiscal management of seven loan funds.

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

- To request that the City Council approve a contribution of CDBG funds to replenish the existing Neighborhood Economic Development Fund (NEDF) and Micro Loan Program loan funds, to recapitalize and promote additional lending to the small business community. This contribution would not require modification to the existing program guidelines or structure. Adding these funds to those currently programmed in the CDBG Program Income budget would allow the City to offer loans through these two longstanding CDBG loan programs without undue concern for the rapid depletion of available funds.
- Develop and create a new Professional Service Contract with the assistance of the Workforce Investment Board (WIB) staff to provide comprehensive employment placement and job retention services required by HUD to businesses that have obtained Enhanced Enterprise Community (EEC) loans.
- Continued pursuit of delinquent and defaulted loans, forbearance plans, and loan modifications to assist the loan recipients during the downturn of the economy.

Oakland Business Development Corporation Professional Services Contract

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 and loan underwriting up to \$249,500. The Contractor Performance Evaluation has been included as *Attachment B*. This evaluation contrasts the goals in the OBDC contract with the achievements under the contract during the reporting period. As shown in the table below, OBDC met or exceeded all of its contracted goals for loan underwriting during the reporting period of July 1, 2009 through October 30, 2010. Accordingly, staff believe that OBDC's performance under this contract exceeded its goals.

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During the period July 1, 2009 – October 30, 2010, OBDC accomplished the following:

	Loan Program	Annual Contract Target Goals *	No. of Loans Underwritten	Principal Value	Leverage Value
1	NEDF**	10	11	\$398,527	\$618,666
2	Micro Loans	5	11	\$227,544	\$88,993
3	EEC/2010 HUD 108/ EDA***	4	3	\$431,500	\$173,000
4	Broadway Corridor	3	2	\$391,000	\$800,000
5	Coliseum RLP	3	5	\$853,029	\$5,977,623
6	CDBG Loans	0	3	\$275,694	\$10,134
	Totals	25	35	\$2,577,294	\$7,668,416

* Annual Contract Target Amounts expires at the end of FY 09/10 (June 30, 2010) the totals above include the total loan activity for the months of July 1, 2009 through October 30, 2010.

** Neighborhood Economic Development Fund (NEDF)

****Enhanced Enterprise Community (EEC)/HUD Section 108 2010 Loan Program (2010 HUD 108)/Economic Development Administration (EDA)

Other OBDC accomplishments during this reporting period which were not funded by the City include:

- Underwrote eleven Small Business Administration (SBA) Micro loans totaling \$259,545 to Oakland businesses, retaining nine jobs;
- Underwrote five Co-America (Micro Loan Fund) Micro loans totaling \$117,500 to five Oakland business, creating one new job;
- Underwrote two Mechanics Bank loans totaling \$200,000 to two Oakland businesses, creating five new jobs.
- The total number of jobs created and retained through OBDC's loans funded from other sources was 85.

Loan applications currently in the pipeline:

	Name of Business	Loan Request	Loan Program	Loan Uses
1.	The Art of Bathing by Feliciai	\$7,500	Oakland Micro	Start-up
2.	Projeday Auto Sales	\$50,000	NEDF	Working Capital
3.	Mo' Joe Café	\$50,000	NEDF	Equipment
4.	Pacific Thomas Corporation	\$249,500	Coliseum RLF	Construction

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

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Outreach Method		Contacts
<i>For Reporting Period 7/1/10 through October 30, 2010</i>		
1	Presentations at East Bay Entrepreneur Center	266
2	New Client Inquiries	607
3	Technical Assistance to Potential Clients	845
4	Technical Assistance to Applicants	299
5	Door-to-Door Marketing/Site Visits	110
6	Number of New Applicants	38

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. OBDC continues to work with Redevelopment staff and CEDA Business Development Services staff to market lending programs to local businesses identified through other City and community contacts.

Oakland Business Development Corporation's reported audited revenues for fiscal year 09-10 were \$1,667,232. The City's contract award to OBDC of \$468,552 represented 28% of OBDC's total revenue.

OBDC has agreed to monitor and track jobs projected/retained/verified for all Oakland-based loans regardless of origin, for the life of the loan, including any SBA or Bank Revolving Loan Fund loans underwritten by OBDC in Oakland, and all City loans, for complete and accurate data. The data will be collected using a comprehensive form designed specifically to capture detailed information pertaining to every job resulting from commercial lending in Oakland. The methodology and process to obtain this specific and detailed data will require that staff be sent into the field quarterly to meet with all Oakland companies in the commercial loan portfolio. OBDC staff will continue to collect job data as well as company financial statements, and will have a simple standardized process for assessing the overall condition of the company. Based on the information collected, OBDC staff will develop an annual summary for each company within the City of Oakland. Further, these site visits will allow OBDC to remarket commercial loan products to successful borrowers and to provide technical assistance to companies to sustain rapid growth or learn new strategies, skills and business disciplines to remain successful. City and OBDC staff has been working with HUD's regional staff to streamline the monitoring and tracking job process. This undertaking is to ensure that loans funded with Section 108 funds have appropriate and consistent documentation required in accordance to federal standards and guidelines.

Defaulted Loans

A loan is considered defaulted after the loan has become 90 days (three months) past due. The default rate for this reporting period reflects the number of loans that were characterized as

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defaulted during the review period compared to the total number of loans with outstanding principal balances in the commercial loan portfolio.

Reporting Period of July 1, 2009 – October 30, 2010:

<u># of Defaulted Loans</u>	<u>Amount of Defaulted Loans</u>	<u>Total Amount of Loan Portfolio</u>	<u>Default Percentage (Rate)</u>
9	\$240,260	\$8,082,185	2.9%

These low default rates are due in part to staff continuing to aggressively collect delinquent and defaulted loans, and also to strict adherence to underwriting criteria when making loans. Commercial Lending staff, in collaboration with the City Attorney's Office and the Finance and Management Agency, continues to pursue delinquent and defaulted loan balances.

SUSTAINABLE OPPORTUNITIES

Economic: The continuance to fund OBDC's activities under the proposed contract will 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 to those communities.

DISABILITY AND SENIOR CITIZEN ACCESS

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

RECOMMENDATION(S) AND RATIONALE

Staff recommends that City Council accept this annual report. Staff further recommends that the City Council adopt the attached resolutions supplementing the funding of the OBDC by \$236,712 for the FY 2010-2011, authorizing OBDC's administration to conduct outreach, marketing and underwriting commercial loans. This request for supplement funding will allow OBDC to continue its commercial lending activities for the City's entire commercial loan portfolio for all commercial loans under \$249,500. Approval of this supplemental funding to the current CDBG contract amount will also 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 attracting qualified borrowers, loan underwriting and providing technical assistance. This action will allow for the continued assistance to Oakland's small business community.

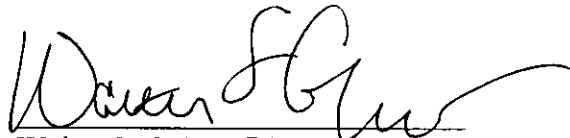
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ACTION REQUESTED OF THE CITY COUNCIL AND REDEVELOPMENT AGENCY

Staff recommends that the Council approve the attached City and Agency resolutions authorizing an appropriation to supplement the CDBG funding of the OBDC contract by \$236,712 for FY 2010-2011 for continuation of commercial loan underwriting and marketing outreach activities under its current scope of services.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: 
Gregory D. Hunter, Deputy Director
Economic Development and Redevelopment

Prepared by:
Lisa D. Brown, Commercial Loan Administrator
Economic Development Division

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the City/Agency Administrator

Attachment A: Lending activity for the reporting period of June 1, 2009 through October 30, 2010

Attachment B: Contractor Performance Evaluation

Loan Activity for Reporting Period 7/1/09 – 10/30/10

CITY OF OAKLAND/OBDC IMPACTS FY 7/1/2009 - 6/30/2010					
OBDC IMPACTS FY 7/1/2009 - 6/30/2010	Loan Amount	Loan Fund	Funding Date	Jobs Created/ Retained	Leverage Value
REDEVELOPMENT FUNDS					
Merritt Bakery	\$162,000	EDA	10/5/09	63	\$46,000
The Wing Time Café	\$79,029	COLISEUM	12/22/09	10	\$119,295
Bakesale Betty	\$241,000	BROADWAY	12/23/09	20	\$506,000
John Lewis Glass	\$100,000	COLISEUM	3/8/10	6	\$90,938
Premier Organics	\$175,000	COLISEUM	3/16/10	33	\$140,000
Uni Oakland, LLC	\$249,500	COLISEUM	3/19/10	29	\$377,390
Marcus Books	\$20,000	EDA	2/19/10	5	0
One Toyota	\$249,500	COLISEUM	5/13/10	101	\$5,250,000
Subtotal	\$1,276,029	8		267	\$6,529,623
NEDF/MICRO FUNDS					
Chop Bar LLC	\$45,000	NEDF	7/20/09	13	\$105,931
RT Fisher Educational Enterprises	\$70,000	NEDF	4/8/10	49	\$118,625
Looney's Southern BBQ	\$35,000	NEDF	8/11/09	12	\$106,850
Prodejay Auto Sales	\$30,000	NEDF	8/25/09	2	0
Zoey's Bistro	\$22,527	NEDF	9/4/09	7	\$117,300
Uptown Yoga	\$13,000	NEDF	9/21/09	1	\$26,520
The Wing Time Café	\$33,000	NEDF	12/22/09	0	
Flying Yoga	\$35,000	NEDF	3/30/10	1	\$7,000
MLK Café	\$35,000	NEDF	6/30/10	6	\$91,500
		OAKLAND MICRO			
Dress	\$35,000	OAKLAND MICRO	9/24/09	1	\$10,650
		OAKLAND MICRO			
Fruitvale Shoe Repair	\$15,000	OAKLAND MICRO	9/28/09	1	0
		OAKLAND MICRO			
Law Offices of Roseanne Torres	\$25,000	OAKLAND MICRO	11/25/09	4	\$5,100
		OAKLAND MICRO			
Regional Pathology & Autopsy Services	\$15,000	OAKLAND MICRO	12/4/09	2	\$1,500
		OAKLAND MICRO			
RT Fisher Educational Enterprises	\$5,000	OAKLAND MICRO	4/8/10	0	0
		OAKLAND MICRO			
Tamales Gloria	\$7,044	OAKLAND MICRO	6/21/10	1	\$500
Subtotal	\$420,571	15		100	\$591,476
TOTAL CITY LENDING ACTIVITY (\$/#)	\$1,696,600	23		367	\$7,121,099

Loan Activity for Reporting Period 7/1/09 – 10/30/10

OBDC - OTHER NON-CITY LENDING ACTIVITY					
Farmacia Remedies	\$100,000	MECHANICS	7/27/09	11	0
Crema Coffee Bar	\$7,500	Comerica	7/21/10	4	\$10,000
Commis	\$35,000	SBA Micro	7/7/09	8	\$222,000
Jon's Street Eats	\$12,500	SBA Micro	7/24/10	1	\$17,370
Layover	\$35,000	Comerica	9/11/09	4	\$165,678
Hair Session	\$35,000	SBA Micro	4/19/09	2	\$11,300
Film Works	\$32,500	SBA Micro	4/5/10	1	\$6,914
Thanh Dao	\$5,000	SBA Micro	1/26/10	1	\$8,000
Rincon Tarasco	\$30,000	Comerica	5/10/10	4	\$40,000
Yayu Ethiopian Restaurant	\$25,000	SBA Micro	6/16/10	10	\$42,300
Chop Bar	\$29,545	SBA Micro	7/20/09	0	0
Bakesale Betty	\$35,000	SBA Micro	4/19/10	0	0
TOTAL OBDC NON-CITY LENDING ACTIVITY	\$382,045	12		46	\$523,562
TOTAL ACTIVITY (City + OBDC-Other)	\$2,078,645	35		413	\$7,644,661

CITY OF OAKLAND/OBDC IMPACTS FY 7/1/2010 - 10/31/2010					
OBDC IMPACTS FY 7/1/2010 - 10/31/2010	Loan Amount	Loan Fund	Funding Date	Jobs Created/Retained	Leverage Value
REDEVELOPMENT FUNDS					
Merritt Bakery	\$150,000	EEC	7/1/10	0	0
Merritt Bakery	\$46,000	CDBG	3/26/10	0	0
532 16 TH Street	\$79,694	CDBG	8/30/10	4	\$10,134
Plum Food & Drink	\$249,500	2010 HUD 108	10/18/10	25	\$127,000
Pican Restaurant	\$150,000	BROADWAY	10/27/10	52	\$294,000
Subtotal	\$675,194	5		81	\$431,134
NEDF/MICRO FUNDS					
Plum Food & Drink	\$65,000	NEDF	8/31/10	0	0
Commonwealth	\$15,000	NEDF	9/1/10	4	\$44,940
Plum Food & Drink	\$35,000	OAKLAND MICRO	8/31/10	0	0
Commonwealth	\$10,000	OAKLAND MICRO	9/1/10	0	0
Shia Productions, LLC	\$25,500	OAKLAND MICRO	9/17/10	1	\$21,243

Loan Activity for Reporting Period 7/1/09 – 10/30/10

D & B Painting	\$20,000	OAKLAND MICRO	9/22/10	0	0
Law Office of Darryl Stallworth	\$35,000	OAKLAND MICRO	10/21/10	3	\$50,000
Subtotal	\$205,500	7		8	\$116,183
TOTAL CITY LENDING ACTIVITY (\$/#)	\$880,694	12		89	\$547,317
OBDC - OTHER NON-CITY LENDING ACTIVITY					
Chop Bar, LLC	\$10,000	COMERICA	8/2/10	5	\$2,375
Nicole Arkin	\$5,000	SBA MICRO	8/27/10	1	\$4,000
PintoHr, Inc.	\$35,000	SBA MICRO	9/3/10	3	\$28,805
D & B Painting	\$100,000	MECHANICS	9/22/10	25	
Sweet Peas Agency	\$10,000	SBA MICRO	10/13/10	1	\$3,830
Nexus Optimum Wellness	\$35,000	COMERICA	10/20/10	4	\$10,005
TOTAL OBDC NON-CITY LENDING ACTIVITY	\$195,000	6		39	\$49,040
TOTAL ACTIVITY (City + OBDC-Other)	\$1,075,64	18		188	\$596,357

- Total City Lending in Reporting Period 7/1/09 – 10/30/10: \$2,577,294
- Total Number of Jobs Created/Retained: 456
- Total OBDC Contract for FY 2009-2010: \$ 468,552
- Ratio of OBDC Contract amount to City funds loaned: 18%

CONTRACTOR PERFORMANCE EVALUATION

Assessment Guidelines

Outstanding	Performance exceeds contractual requirements.
Satisfactory	Performance meets contractual requirements.
Needs Improvement	Performance meets contractual requirements only after extensive corrective action was taken.
Unsatisfactory	Performance does not meet contractual requirements. The contractual performance being assessed reflects serious problems for which corrective actions were ineffective.

Section 1: General Evaluation

Contractor Oakland Business Development Corporation

Contractor Type None above

If Other

Contract Amount \$468,552
(Amount must be \$5,000 or more)

Date of Notice to Proceed 7/1/2009

Date of Projected Completion 6/30/2010

Date of Final Completion 6/30/2010

Evaluator Name Lisa D. Brown

Evaluator Title Commercial Lending Unit/Loan Servicing Administrator

Type of Contract Original Contract

If Other

Amend Amount YES NO

Amend Time YES NO

	TIMELINESS	Unsatisfactory	Needs Improvement	Satisfactory	Outstanding
7	How would you rate the Contractor's performance in completing the work/services within the time required by the contract?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
8	How would you rate the timeliness of any Contractor requests for amendments extending the time of the contract? If N/A, Skip to Question 9	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9	Were there <u>other</u> issues related to timeliness? ☞If "Yes", please explain.		<input type="radio"/> YES, Major Issues	<input type="radio"/> YES, Minor Issues	<input checked="" type="radio"/> NO

	FINANCIAL ADMINISTRATION	Unsatisfactory	Needs Improvement	Satisfactory	Outstanding
10	How would you rate the accuracy and completeness of the Contractor's billings?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
11	Did the contractor request any increase to the contract amount based on the <u>original</u> scope of work? ☞If "Yes", please list the requested increase in contract amount Number of Requests Total Requested Amounts Total Settlement Amount:		<input type="radio"/> YES, Major Requests	<input type="radio"/> YES, Minor Requests	<input checked="" type="radio"/> NO
12	How would you rate the reasonableness of the Contractor's price quotes for changed or additional work? If N/A, Skip to Question 13	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13	Were there any billing disputes? ☞If "Yes", please explain.		<input type="radio"/> YES Major Disputes	<input type="radio"/> YES Minor Disputes	<input checked="" type="radio"/> NO
14	Were there any <u>other</u> financial issues? ☞If "Yes", please explain.		<input type="radio"/> YES, Major Issues	<input type="radio"/> YES, Minor Issues	<input checked="" type="radio"/> NO

SCOPE OF WORK AND PERFORMANCE		Unsatisfactory	Needs Improvement	Satisfactory	Outstanding
1	How would you describe the overall quality of the Contractor's performance based upon the contract's scope of work?	☐	☐	☐	●
1a	Was there a need to take corrective actions? ☛ If "Yes", please specify date(s) and reason(s) for the correction(s) and proceed to 1B. If "No", Skip to Question 2			☐ YES	● NO
1b	If corrective actions were required, how would you rate the quality of the Contractor's corrections?	☐	☐	☐	☐
2	How would you rate the organization, presentation, clarity and conciseness of the work/reports prepared by the Contractor? Please use Section 2: Contract-Specific Criteria to provide more detailed information.	☐	☐	☐	●
3	How would you rate the expertise and skills of the personnel assigned by the Contractor to satisfactorily perform the work required under the contract?	☐	☐	☐	●
4	How would you rate the coordination of the Contractor with sub-contractors and others involved in the project? If N/A , Skip to Question 5 Please use Section 2: Contract-Specific Criteria to provide more detailed information.	☐	☐	☐	☐
5	Were there other issues related to "Work Performance"? ☛ If "Yes", please explain.		☐ YES, Major Issues	☐ YES, Minor Issues	● NO
6	Would you select this firm again for this type of project or program? ☛ If "No", please explain.			● YES	☐ NO

COMMUNICATION		Unsatisfactory	Needs Improvement	Satisfactory	Outstanding
15	How would you rate the Contractor's responsiveness to the Project Manager's questions, requests, changes, etc.?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
16	Please rate whether the Contractor communicated with the <u>Project Manager</u> in a timely manner regarding the following items:				
	16a. Notification of any significant issues that arose? If N/A, Skip to Question 16b	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	16b. Critical staffing issues (changes, replacements, additions, etc.)? If N/A, Skip to Question 16c	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	16c. Periodic progress reports if required by the contract (both verbal and written)? If N/A, Skip to Question 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
17	How would you rate the Contractor's interaction, courtesy and helpfulness in dealing with: <ul style="list-style-type: none"> • City/ ORA Staff • General public • Partners/ Stakeholders • Other public agencies 	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
18	Please rate the quality of the contractor's public presentation(s). If N/A, Skip to Question 19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
19	Were there any <u>other</u> issues related to communication issues? ☞ If "Yes", please explain.		<input type="radio"/> YES, Major Issues	<input type="radio"/> YES, Minor Issues	<input checked="" type="radio"/> NO

Based on the weighting factors below, the Contractor's overall score has been calculated from the four categories above.

RATING - SECTION 1		Possible Score	Actual Score
1.	Score for Scope of Work and Performance	30	30
2.	Score for Timeliness	10	10
3.	Score for Financial Administration	20	20
4.	Score for Communication	35	35

TOTAL SCORE	95	95
PERCENTAGE	100	

Outstanding: 100% to 90%
Satisfactory: 89% to 70%
Needs Improvement: 69% to 60%
Unsatisfactory: 59% or less

Section 2: Contract-Specific Criteria

Use this section to highlight contract-specific information and any other performance criteria not covered in Section 1.

- Click the 'File Attachment' icon to attach applicable documentation (scope of work, evaluation matrices, deliverable tracking templates, etc.).

 OBDC Evaluation attachment to Contract Evaluation 12-15-10.xls Microsoft Excel Worksheet 18.0 KB	 File Attachment	 File Attachment
 File Attachment	 File Attachment	 File Attachment

- Enter comments summarizing/explaining your attachments in the blank field provided.

The Oakland Business Development Corporation (OBDC) attached evaluation document details the three primary services through its contract with the City/Agency. These services include marketing and outreach of commercial lending services, job monitoring and loan underwriting up to \$249,500. This supplement evaluation is a tool created by Commercial Lending staff to track the targeted goals the City established in the contractors professional services contract. The targeted goals are aligned with the actual target goals met during the annual review period (July 1, 2009 through June 30, 2010).

OBDC has done an exceptional job and has assisted the City over the past 4 years with deploying a total of 104 loans to small business totaling \$5.8 million dollars, leveraging \$18.6 million dollars of private financing and investment capital and creating/retaining 764 jobs in Oakland.

- Rate the Contractor based on the information and comments submitted.

RATING - SECTION 2	Unsatisfactory	Needs Improvement	Satisfactory	Outstanding
Rate your Contractor's overall performance in relation to information provided in Section 2.	☐	☐	☐	☑

EVALUATION

<u>Contract Year 2009 - 2010</u>					<u>Comments/Explanation</u>
Loan Underwriting		Targeted Goals		Actuals	
1	Package & fund 10 NEDF loans	10		11	OBDC did an exceptional job on meeting the loans goals.
2	Package & fund 5 Micro loans	5		11	OBDC did an exceptional job on meeting the loans goals
3	Package & fund 4 EEC/2010 & EDA loan programs	4		3	The EDA funds were low due to the lack of revolving loan funds.
4	Package & fund 3 loans under \$249,500 from Broadway Corridor loan program.	3		2	City was waiting for authorization from HUD to continue the EEC/EDI Loan Programs past 8/06.
5	Package & fund 3 loans under \$249,500 from Coliseum RLF loan program	2		5	There was a weak EEC loan pipeline, staff met regularly with OBDC to review loan pipeline.
6	Package & fund CDBG Loans (New Funding Source)	0		3	
7	Create and properly record loan documents	yes		yes	Loan documents were properly created.
8	Maintain loan documentation in accordance to federal guidelines	yes		yes	Loan files have been maintained properly.
Marketing		Targeted Goals		Actuals	
1	Marketing the City's loan programs annually to at least 500 businesses via appt.calls or group presentations within 7 CD districts and 3 EEC areas.	500 businesses		983 businesses	OBDC has done an exceptional job meeting the marketing goals outlined in the contract.
2	Accept applications & deter. feasibility of small bus. & loans	n/a		38	OBDC has done an exceptional job meeting the marketing goals outlined in the contract.
Job Monitoring				Actuals	
2	Provide monthly reports on job creation activity			12	OBDC has implemented reports & submits monthly reports tracking job created and retained.
3	Client Site Visits			5	OBDC staff conducts site visits when necessary.

Overall Rating

RATING - FINAL	Unsatisfactory	Needs Improvement	Satisfactory	Outstanding
Rate overall Contractor's performance	☐	☐	☐	<input checked="" type="radio"/>

- (1) Submit evaluation to Unit Supervisor for review.
- (2) Save Evaluation Form to shared drive: \\Library2\redvelopment\ScheduleL2\Completed Evaluation Forms.

Lisa D. Brown
Project Manager

Lisa D. Brown
Print Name

12-15-10
Date

Patrick S Lane
Supervisor

Patrick S Lane
Print Name

12/20/10
Date

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 DEC 23 PM 3:37

APPROVED AS TO FORM AND LEGALITY:

M. Mowdom

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

AUTHORIZE THE CITY ADMINISTRATOR TO SUPPLEMENT THE FUNDING FOR OAKLAND BUSINESS DEVELOPMENT CORPORATION IN AN AMOUNT NOT TO EXCEED \$95,800 OF ECONOMIC DEVELOPMENT INITIATIVE FUNDS FOR FISCAL YEAR 2010-2011, AND TO ACCEPT A CONTRIBUTION FROM THE OAKLAND REDEVELOPMENT AGENCY UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$140,912 FOR FISCAL YEAR 2010-2011, FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$468,552 FOR COMMERCIAL LOAN UNDERWRITING SERVICES

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

WHEREAS, OBDC effectively manages seven loan programs for the City of Oakland at present, and has demonstrated the capacity to lend to small businesses to further the City's goals of attracting, expanding, and retaining Oakland businesses, thereby creating job opportunities for low-moderate income Oakland residents; and

WHEREAS, this contract amendment will leverage the resources and expertise of the Community and Economic Development Agency ("CEDA") with those of OBDC to more effectively serve Oakland's businesses and manage the City's commercial loan portfolio; and

WHEREAS, the increase in lending activity that is expected to result from additional funding for OBDC's contracted loan underwriting services 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, the 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, the City Council previously authorized an allocation of Community Development Block Grant ("CDBG") funds and hereby allocates an additional \$95,800 from the Economic Development Initiative ("EDI") funds; and

WHEREAS, additional funds for OBDC will be provided as follows:

- \$95,800 from EDI funds (2105)
- \$100,000 of Coliseum funds (Fund 7780, Org. 88659, Account No. 52921, Project C82620) and \$40,912 of Central City East Redevelopment funds (Fund 7780, Org 88699, Account No. *to be determined*), Project P233210), for a total contract amount of \$468,552; 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 and determines that the services under this contract will be temporary and performance of the contract 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 Council hereby authorizes the allocation of an additional \$95,800 for the OBDC contract for fiscal year 2010-2011 from the Commercial Lending Economic Development Initiative (EDI) Grant Fund (2105), Commercial Lending Org (88579), Grant-Funded Loan Expenditures Account (58311), and HUD EDI Disbursement Project (H66631); and be it

FURTHER RESOLVED: That the City hereby accepts a contribution of \$140,912 from ORA under the Cooperation Agreement; and be it

FURTHER RESOLVED: That the City Council hereby authorizes a total additional \$236,712 for the fiscal year 2010-2011 contract with OBDC for a total contract amount not to exceed \$468,552; and be it

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

FURTHER RESOLVED: That all agreements authorized hereunder shall be approved as to form and legality by the Office of the City Attorney and shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, REID, SCHAAF,
AND PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 DEC 23 PM 3:30

Approved as to form and legality:

By: 
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING A CONTRIBUTION OF \$140,912 TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT, \$100,000 FROM COLISEUM REDEVELOPMENT FUNDS AND \$40,912 FROM CENTRAL CITY EAST REDEVELOPMENT FUNDS, TO FUND COMMERCIAL LOAN UNDERWRITING SERVICES BY THE OAKLAND BUSINESS DEVELOPMENT CORPORATION FOR THE COLISEUM AND CENTRAL CITY EAST COMMERCIAL REVOLVING LOAN PROGRAMS FOR FISCAL YEAR 2010-2011

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

WHEREAS, OBDC effectively manages two commercial revolving loan programs in the Coliseum and Central City East Redevelopment Project Areas under contract with the City of Oakland at present, and has demonstrated the capacity to lend to small businesses to further the Agency's goals for expanding, attracting and retaining Oakland businesses in those Project Areas; and

WHEREAS, OBDC has demonstrated its ability to service the City's commercial loan portfolio, in addition to its own loan portfolios; and

WHEREAS, the Redevelopment Project Areas' implementation strategy identifies the revitalization of businesses within the commercial and industrial corridors of the Redevelopment Areas 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, the Redevelopment Agency and the City entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including City services in furtherance of Redevelopment Agency goals; and

WHEREAS, the Redevelopment Agency has previously authorized an allocation of Redevelopment Agency funds of \$140,912 for fiscal year 2010-2011 to fund commercial loan underwriting services for the Coliseum and Central City East Commercial Revolving Loan Programs as follows:

- \$100,000 from Coliseum Redevelopment Area Fund (9450), Coliseum Redevelopment Organization (88659), Miscellaneous Operating Expenditure Account No. 52921, Coliseum Redevelopment Project (\$826200.0000) mirrored to Fund (7780) Organization (88659), Account (52921) Project (C82620); and
- \$40,912 from Central City East Redevelopment Area Operations Fund (9540), Central City East Redevelopment Organization (88699), Miscellaneous Operating Expenditure Account No. 52921, Central City East Redevelopment Area Program (\$233310.0000) mirrored to Fund (7780), Organization (88699), Account No. 52921, for a total contract amount of \$468,552; and

WHEREAS, sufficient Central City East and Coliseum Redevelopment Project funds are available to fund the amount requested by the City of \$140,912; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes a contribution of funds to the City under the Cooperation Agreement in an amount not to exceed \$140,912 from Coliseum and Central City East Redevelopment Project funds as indicated above to pay for commercial loan underwriting services by OBDC for the Coliseum and Central City East Commercial Revolving Loan Programs for FY 2010-2011; and be it

FURTHER RESOLVED: That the Agency Administrator, or his or her designee, is authorized to take any other action necessary with respect to this action consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,
REID, SCHAAF, AND CHAIRPERSON BRUNNER

NOES -

ABSENT -

ABSTENTION -

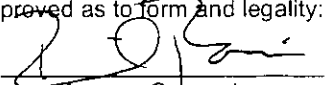
ATTEST:

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 DEC 23 PM 3:30

Approved as to form and legality:

By: 
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING A CONTRIBUTION OF \$140,912 TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT, \$100,000 FROM COLISEUM REDEVELOPMENT FUNDS AND \$40,912 FROM CENTRAL CITY EAST REDEVELOPMENT FUNDS, TO FUND COMMERCIAL LOAN UNDERWRITING SERVICES BY THE OAKLAND BUSINESS DEVELOPMENT CORPORATION FOR THE COLISEUM AND CENTRAL CITY EAST COMMERCIAL REVOLVING LOAN PROGRAMS FOR FISCAL YEAR 2010-2011

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

WHEREAS, OBDC effectively manages two commercial revolving loan programs in the Coliseum and Central City East Redevelopment Project Areas under contract with the City of Oakland at present, and has demonstrated the capacity to lend to small businesses to further the Agency's goals for expanding, attracting and retaining Oakland businesses in those Project Areas; and

WHEREAS, OBDC has demonstrated its ability to service the City's commercial loan portfolio, in addition to its own loan portfolios; and

WHEREAS, the Redevelopment Project Areas' implementation strategy identifies the revitalization of businesses within the commercial and industrial corridors of the Redevelopment Areas 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, the Redevelopment Agency and the City entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including City services in furtherance of Redevelopment Agency goals; and

WHEREAS, the Redevelopment Agency has previously authorized an allocation of Redevelopment Agency funds of \$140,912 for fiscal year 2010-2011 to fund commercial loan underwriting services for the Coliseum and Central City East Commercial Revolving Loan Programs as follows:

- \$100,000 from Coliseum Redevelopment Area Fund (9450), Coliseum Redevelopment Organization (88659), Miscellaneous Operating Expenditure Account No. 52921, Coliseum Redevelopment Project (\$826200.0000) mirrored to Fund (7780) Organization (88659), Account (52921) Project (C82620); and
- \$40,912 from Central City East Redevelopment Area Operations Fund (9540), Central City East Redevelopment Organization (88699), Miscellaneous Operating Expenditure Account No. 52921, Central City East Redevelopment Area Program (\$233310.0000) mirrored to Fund (7780), Organization (88699), Account No. 52921, for a total contract amount of \$468,552; and

WHEREAS, sufficient Central City East and Coliseum Redevelopment Project funds are available to fund the amount requested by the City of \$140,912; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes a contribution of funds to the City under the Cooperation Agreement in an amount not to exceed \$140,912 from Coliseum and Central City East Redevelopment Project funds as indicated above to pay for commercial loan underwriting services by OBDC for the Coliseum and Central City East Commercial Revolving Loan Programs for FY 2010-2011; and be it

FURTHER RESOLVED: That the Agency Administrator, or his or her designee, is authorized to take any other action necessary with respect to this action consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,
REID, SCHAAF, AND CHAIRPERSON BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California