

**CITY OF OAKLAND
COUNCIL AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND

214 MAR 11 PM 5:14

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: March 23, 2004

RE: REPORT AND RESOLUTION AMENDING RESOLUTION NO. 76972 C.M.S., AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE AGREEMENT WITH THE OAKLAND BUSINESS DEVELOPMENT CORPORATION TO INCREASE THEIR LENDING AUTHORITY FOR CITY COMMERCIAL LOANS FROM \$100,000 TO \$249,500.

RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH THE OAKLAND BUSINESS DEVELOPMENT CORPORATION TO UNDERWRITE AND APPROVE COMMERCIAL LOANS IN AN AMOUNT NOT TO EXCEED \$249,500.

APPROVAL OF STAFF RECOMMENDATIONS, INCLUDING STAFFING ADJUSTMENTS, TO RESTRUCTURE THE CITY OF OAKLAND'S COMMERCIAL LENDING ACTIVITIES CONSISTENT WITH PROGRAM GUIDELINES AND CITY COUNCIL OBJECTIVES.

INFORMATIONAL REPORT REGARDING THE STATUS OF THE CITY AND REDEVELOPMENT AGENCY'S COMMERCIAL LOAN PROGRAM, INCLUDING JOB CREATION RESULTING FROM COMMERCIAL LENDING; AND, AN INFORMATIONAL REPORT REGARDING THE COMMERCIAL LENDING OFFICE'S DELINQUENT LOANS ASSIGNED TO THE CITY ATTORNEY'S OFFICE.

SUMMARY

The City established and maintains a Commercial Lending Unit for the purpose of providing lending and business training services within the Oakland community. The primary funding source for the Commercial Lending office, as well as the loan funds that it managed, was U.S. Department of Housing and Urban Development (HUD) grant programs. In 1995, HUD designated Oakland as an Enhanced Enterprise Community (EEC) and awarded grants funds totaling \$44 million leading to the creation of Oakland's One Stop Capital Shop. Oakland's EEC grant consisted of two awards: (1) EEC Section 108 Revolving Loan Fund (RLF) and; (2) EEC-EDI Loan Loss Reserve fund. These loan funds complemented the City's already diverse loan pool funded by Community

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The Commercial Lending Unit oversees, either directly or through contracted services, a loan portfolio of seven loan programs, an entrepreneur training facility and a variety of small business technical assistance programs. The administration of each loan program is guided by federal regulations crafted to ensure targeted audiences receive program benefits. The combined management of these loan funds has presented a challenge to the Commercial Lending staff as they've worked to maintain program performance at levels prescribed by City Council and HUD guidelines. Throughout the EEC grant period staff has endeavored, making occasional program structure modifications, to deliver a program that was responsive to the community's need and functioned within federal standards for job creation and default rates.

Improvements to portfolio performance, as a result of program modifications, have been marginal and ineffective to critical components of this unit's federally-funded EEC-108 lending program. Staff is recommending discontinuing all commercial lending programs administered by One Stop Capital Shop staff, and expanding the loan underwriting authority of the Oakland Business Development Corporation (OBDC). The OBDC portfolio of City loan programs has a higher success rate in complying with HUD's lending requirements. Outsourcing this component to the OBDC would still allow the City to utilize the remaining HUD allocation for loans. Absent this recommended change, HUD may suspend the availability of funding entirely, which would cause both the large and small loan operations to cease. The staffs recommendation would allow the OBDC to continue offering Oakland's business community small to medium size loans from the remaining loan program funds.

Commercial Lending staff would also continue working with the OBDC, City of Oakland Economic Development staff and others to develop and implement for lending purposes, strategies that target and attract credit-worthy and sustainable businesses. Staff has begun exploring best practices and techniques employed by other jurisdictions having Municipal Lending functions. Best practices that staff would seek City Council support to continue exploring include:

1. Economic Gardening – a community's effort to focus its resources on the development of strategies that support and grow identified rapid growth companies presently operating within a community, rather than the practice of "economic hunting" for high performing businesses to recruit to a community.
2. Business Incubators – review and analysis of tools and strategies required for businesses operating as tenants of Oakland based incubators to optimize sustainable growth.
3. Diversification of Loan Funds – consistent with recommendations found in the Gibson and Associates Evaluation of Commercial Lending Operations, staff supports the identification and pursuit of grant funds to diversify and maximize eligibility of loan programs.

FISCAL IMPACT

Staffs recommendation to increase the per loan lending capacity from \$100,000 to \$249,500 does not have a fiscal impact.

Staffs recommendation to restructure includes a decrease in FY 04-05 personnel (3.0 FTE) within the Commercial Lending Unit (organization 88579). The restructuring serves to reduce administrative charges to the HUD EEC-EDI grant thereby addressing HUD's cautionary statements concerning the City's overburdened EDI administrative allocations. HUD's continued dissatisfaction with the program funds management could result in the City having to either surrender existing balances of EEC Section 108 and EDI funds or garnishment of future CDBG allocations.

Costs for the Commercial Lending Unit is divided between two grant funding sources, including the Community Development Block Grant (CDBG) (Fund 2108) and HUD EEC-EDI (Fund 2105). Specific reductions proposed include the following:

Classification	FTE	FY 2004-05 Budgeted Cost	Position Disposition
Urban Economic Coordinator	(1.0)	\$126,196	Eliminated
Administrative Analyst II	(1.0)	87,556	Transferred
Urban Economic Analyst III	(1.0)	94,166	Transferred
Total:	(3.0)	\$307,918	

The Urban Economic Coordinator position is vacant. Staff proposes the above listed transfers he funded through increases to FY 2004-05 appropriations in the Oakland Redevelopment Agency. The proposal requesting this increased appropriation will be presented to the Agency/Council for approval during the FY 2004-05 Mid-cycle Budget review. Additionally, as part of the restructuring, staff is also pursuing cost savings in operations and maintenance. Savings may be garnered from relocating the remaining staff (3.0 FTE) to a City-owned facility to save on building lease payments. The value of these savings has not been determined at this time.

BACKGROUND

The City of Oakland has faced challenges in the delivery of its commercial lending programs. The impact of these challenges is most apparent in the performance of the City's EEC Revolving Loan program. HUD, the program's funding source and monitor cautioned the City in regards to program deficiencies. These deficiencies as identified by HUD are:

- High percentage of delinquent or defaulted loans
- Low job creation performance of loan recipients
- Low ratio of loans generated compared to the administrative charges to the grant

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CEDA is particularly concerned that the proposed corrective actions for these issues bring the City's loan programs into compliance with HUD regulations. If not brought into compliance there is risk that HUD would subtract the amount of funds already loaned out from future Oakland CDBG allocation, thereby severely impacting programs and projects funded by that source.

Over the past year, CEDA has taken corrective action to reverse trends that led to low performance in these areas. These corrective actions, impacting personnel and procedure, were successful in addressing many of HUD's concerns. In particular, the Unit was able to demonstrate a reversal in trends related to collection actions for delinquent and defaulted loans. Additionally, CEDA has significantly reduced (60%) the personnel charged to the EEC-EDI grant. Commercial Lending staff continues to meet with and correspond with loan recipients to improve EEC resident job placement rates. We believe that the procedural changes that have been implemented began the process of reversing negative trends, although the proposed additional structural modifications are also required to retain access to the remaining \$14 million in HUD loan funding and to avoid impacts to future CDBG funding if the City does not meet HUD requirement. These modifications are:

1. Eliminate the processing of loans over \$249,500. This loan pool has the poorest performance and is putting the City at risk of losing access to HUD loan funds.
2. Expand the maximum OBDC loan threshold from \$100,000 to \$249,500 and consolidate all new loan functions under contract with OBDC. Staff proposes the lending threshold level be increased due to the conditions OBDC has found in administering the under - \$100,000 loan program. HUD EEC-108 loans underwritten by OBDC are coupled with other loan program funds in a larger loan package. The increased lending capacity will allow OBDC to have a more efficient loan packaging program.

Each HUD concern is discussed in greater detail below, as that item may relate to and be impacted by the restructuring of staff and functions at the former One Stop Capital Shop (OSCS).

OBDC Expanded Contract

During FY 2001-02 the City executed an expanded Professional Services contract with the Oakland Business Development Corporation (OBDC). The contract amendment provided authorization for the OBDC to conduct the following services on behalf of the City:

1. Expansion of administrative underwriting authority of City Commercial loan programs to include EEC, ORA Broadway Corridor and Regular HUD 108 loan packages
2. Loan Servicing of the City's Commercial loan portfolio

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3. Marketing of City of Oakland EEC, Broadway Corridor, and other loan programs

Collection of Defaulted Loans

The Agency's October 2002 Commercial Lending Loan Status report on delinquent and defaulted loans advised the City Council of a delinquent and default rate of 38%. The current default is slightly higher due to the calculation method (number of defaults / number of loans) and the impact of a loan payoff to either the current or delinquent accounts balance. The Commercial Lending Unit has become more aggressive in pursuing the collection of delinquent and defaulted loans. Collection actions have been initiated on 21 defaulted loans and the unit, with support from the City Attorney's Office, has collected on three defaulted loans. Within the past year a total of six loan clients (current and defaulted) have submitted loan pay-offs. Additionally, the Unit has worked to strengthen its Portfolio Monitoring function and develop useful portfolio monitoring tools, including a payment tracking spreadsheet (see attachment 1) and employ the use of personal outreach. These tools will be used to identify borrowers having difficulties and, through early contact, prevent delinquencies and defaults.

The City's growing success in the pursuit and collection of delinquent and defaulted loans has been the result of Commercial Lending's coordination with the City Attorney's Office and the Finance and Management Agency's (FMA) Revenue and Collections Unit. CEDA, working with the assigned Deputy City Attorney and Revenue Collection Supervisor, has developed a process where each defaulted loan is evaluated to determine the best approach to collect through foreclosure, legal remedies, or FMA collection. With input from Revenue and Collections, CEDA seeks to secure additional borrower information that may be more helpful should alternative collections be necessary.

Attachments

1. Loan Summary Report – Commercial Lending Unit
2. Loan Portfolio – Current vs. Delinquent/Defaulted Accounts Summary
3. Summary of Collection Case Management – City Attorney's office

Job Creation

Commercial Lending staff instituted regular meetings and correspondence with our contracted job creation monitor, Ultimate Staffing in March 2002 in direct response to HUD Regional Director, Steve Sachs's February 2002 letter. The result of our contact with Ultimate Staffing was substantive revisions to the monthly Job Creation Matrix. These revisions have simplified evaluation of borrower EEC and Low-Mod resident hiring.

Ultimate Staffing's role in addition to monitoring borrower hiring and maintaining the Job Creation Matrix, is to identify and recruit qualified applicants to borrower job vacancies. As a result of this recruitment contract during the 2003 calendar year, Ultimate Staffing recruited for 22 positions, on average has had interactions with 50-60 applicants for each opening and has successfully placed twelve EEC residents in jobs with Oakland employers.

(Attachment 4 – Ultimate Staffing December 2003 Job Creation Matrix)

KEY ISSUES AND IMPACTS

To complement the above program modifications, CEDA proposes the following structural changes to organizational responsibility, procedures and processes:

1. Loan Servicing and Underwriting

Loan Underwriting - currently the OBDC performs loan underwriting services of City of Oakland loan funds for applicants determined to have borrowing requirements of amounts less than \$100,000. Staff proposes that OBDC continue this function and further request that the per loan lending capacity of OBDC be increased to \$249,500.

Under this proposal, City staff would no longer perform underwriting services for small business commercial loans in excess of \$100,000 nor would businesses be eligible to receive loans in excess of \$249,500.

This change would require City Council to adopt the attached resolution increasing the administrative approval amount for commercial loans to \$249,500. The current administrative approval amount for commercial loans is \$100,000, City Council has previously authorized OBDC to approve and disperse loan amounts less than \$100,000.

The City would retain the flexibility and authority, working through Commercial Lending staff and prospective developers, to fund, through the EEC program, larger loans supporting large-scale, high volume job generating developments.

Loan Servicing – no further modifications to this function are proposed. City staff would continue to hold the responsibility of monitoring monthly loan aging reports prepared by the OBDC.

Marketing and Outreach – The OBDC would have sole responsibility for providing marketing and outreach services for City loan funds. City staff would continue to review on an annual basis and monitor monthly, marketing and outreach efforts by OBDC.

Staff has researched East Bay lending organizations having operational jurisdiction that encompass Oakland and have found that none other than the Oakland Business Development Corporation meet the criteria of:

- A. Municipal Lending experience
- B. Operation as a Not-for-profit entity
- C. Maintaining a diversified and flexible loan pool
- D. Experience underwriting loans within distressed communities

Based on the above criteria and the relatively close timeline for HUD's termination of the EEC Loan program (2006), staff recommends negotiation with the OBDC for a potential contract expansion for the additional services identified in this report. Contract amendments to OBDC's current Professional Services contract would be presented to City Council for approval.

2. Delinquent and Defaulted Loans

Staff proposes no changes to the current method of pursuing collections of loans in arrears or defaulted. Highlighted below are current procedures developed by Commercial Lending, City Attorney and the Revenue and Collections staff to effectively address repayment of delinquent and defaulted loans.

- Oakland Business Development Corporation – Delinquent accounts are managed by the OBDC during the period of 11-90 days of delinquency. Accounts are considered delinquent at 10 days past payment due date. Loan recipient is noticed via written correspondence of delinquent account status. After 90 days of delinquency, accounts are referred to the Commercial Lending staff for disposition.
- Commercial Lending – Accounts that are 91-120 days delinquent are managed by Commercial Lending staff. During this period a review of the delinquent account is conducted by Commercial Lending staff and the City Attorney's office. The review of the account will determine the most expeditious, cost effective manner to collect on unpaid balances owed the City. Collection options during this phase are:
 - ❖ Commercial Lending staff contact borrower and negotiate full payment of outstanding balance prior to 120 days of delinquency.
 - ❖ Initiate non-judicial foreclosure action for loans that are secured by real property.
 - ❖ Recover UCC-1 held collateral. (primarily furniture fixture & equipment)
 - ❖ Transfer to Revenue and Collection Unit
 - ❖ Refer to City Attorney to pursue legal action

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Although the lead Agency for these varying actions may differ, the established process calls for the lead Agency to communicate, at a minimum, on a monthly basis, activity related to collection efforts.

Since the inception of the collaborative effort to collect on bad loan amounts, we have found that although one Agency assumes a leadership role, the remaining two Agencies are needed in an advisory and supportive capacity.

- City Attorney - Accounts that are more than 120 days delinquent are referred by Commercial Lending to the City Attorney's Office (CAO). The CAO evaluates the case and determines the best legal course of action to take to insure collection of the outstanding debt. The CAO also provides legal advice to Commercial Lending and Revenue and Collections staff regarding their collection efforts i.e., non-judicial foreclosures, collection on judgments.) When necessary, the CAO files lawsuits against borrowers to collect on the defaulted loans and seeks relief from the U.S. Bankruptcy Court to allow City collection actions to proceed when a borrower has filed a bankruptcy petition. After the CAO obtains a judgment against a borrower, the Abstract of Judgment is forwarded to Financial Services/ Revenue and Collections for collection on the judgment.

3. Portfolio Monitoring

Both HUD and the evaluation of lending services conducted by Gibson and Associates recognize the value and importance of Portfolio Monitoring. This function is critical to assisting borrower prior to any term of the loan agreement reaching a point of distress. Primary monitoring functions of either City staff, Ultimate Staffing or the OBDC are of the following:

- ❖ HUD EEC/Low Mod hiring requirement
- ❖ Loan repayment
- ❖ Annual financial statements
- ❖ Adherence to business/marketing plans (1st year of loan)

Initial monitoring of HUD hiring requirements will be performed under City contract. Ultimate Staffing, the City's current contractor, contacts loan recipients on a monthly basis to collect information concerning the business's need for recruitment services and updated employment data. Additionally, Ultimate maintains a database of applicants for employer/applicant skills matching opportunities as they arise.

The data, which Ultimate collects, is forwarded to Commercial Lending staff by the 11th of each month for review. Staffs review of the hiring report data focuses on a comparison of current month hiring progress to previous month and new recruitments.

City Staff will continue to work with its contracted partner, OBDC, to monitor repayment of all loans. As described above, this function will consume the greatest amount of staff time.

4. Staffing

City staff recommends the Commercial Lending Unit be staffed with three FTE. The recommended positions are the Commercial Lending Manager, the Urban Economic Analyst III and Administrative Assistant II that are currently assigned to the Unit.

This proposed restructuring represents a 67% reduction in staff funded through the EDI grant. Four of the existing six positions assigned to the Commercial Lending Unit would be eliminated and the Manager position would be funded through other Redevelopment Agency sources. The remaining two EDI funded positions would manage the current loan portfolio and perform collection and foreclosure functions for loans in arrears and in default.

Development of additional Economic Development Tools and Strategies

Economic Gardening - Commercial Lending staff has researched one model of Economic Gardening, as implemented by Littleton, Colorado and is working with CEDA Business Development staff to identify factors for possible incorporation into the City of Oakland's Economic Development Strategy. Staff will continue to work with the Sustainable Business Alliance, currently under contract, to put form to the City's Economic Gardening program. Preliminary analyses of past lending trends of the Commercial Lending Unit and the OBDC for City funded loan programs are included as attachment #5.

Business Incubation -- City staff working with the Management of Bay Area Incubators and research of successful incubator programs nationwide will analyze strategies and resources most prevalent in assisting incubator clients to realize sustainable growth.

Diversified Loan Pool -- the City of Oakland's lending authority and funds availability under the HUD EEC -- Section 108 and EDI Loan programs sunsets in 2006. Additionally, HUD Regular Section 108 Revolving Loan Program has been discontinued. Should the City wish to continue offering lending services to businesses, staff will need to identify additional loan funds and submit required applications.

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.

DISABILITY AND SENIOR ACCESS

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

RECOMMENDATION AND RATIONALE

Staff recommends the adoption of the attached resolutions and restructuring plan. This plan provides a structure by which staff can address all HUD programmatic concerns of the City's EEC and other loan programs. This restructuring also incorporates several recommendations identified in the Gibson and Associates report, which included interviews with industry experts.

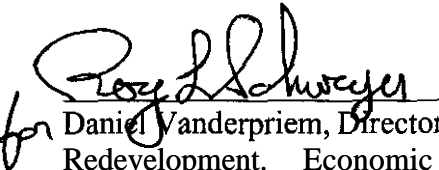
The City has assembled a qualified team of contracted professional service providers to assist in the administration of technical assistance and lending programs and staff feels confident that through the proper management of these contracts the City would continue to offer superior services to Oakland's business community.

ACTION REQUESTED OF CITY COUNCIL

Staff requests that the City Council and Agency approve the attached resolutions amending Resolution No. 76972 C.M.S., and authorizing an increase in OBDC's Commercial Lending loan approval authority by \$149,500. The total lending authority of OBDC is not to exceed \$249,500.

City Council is also requested to approve the above stated restructuring measures of the Community and Economic Development Agency's Commercial Lending Unit. Commercial Lending restructuring measures are inclusive of functional and personnel modification. If the staffing changes are approved, staff will return to Council with an ordinance to formally adopt and implement the recommended restructuring.


Respectfully Submitted,


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

Prepared by:
Gregory Hunter, Manager
Commercial Lending

APPROVED AND FORWARDED TO


OFFICE OF THE CITY MANAGER AND
AGENCY ADMINISTRATOR

Item No. 
CED Committee
March 23, 2004

2004 MAR 11 PM 5:14

APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NO. 76972 C.M.S. AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE AGREEMENT WITH THE OAKLAND BUSINESS DEVELOPMENT CORPORATION TO INCREASE THEIR LENDING AUTHORITY FOR CITY COMMERCIAL LOANS FROM \$100,000 TO \$249,500

WHEREAS, the Oakland Business Development Corporation (“OBDC”) has had an existing contract 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, increasing 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, the City Council finds that the Agreement with OBDC is for services of a professional or specialized nature; and

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**COMMUNITY & ECONOMIC
DEVELOPMENT CMTE**
MAR 23 2004

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. 76972 C.M.S. to authorize an amendment to the existing professional services agreement between the City and OBDC to increase 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 Manager, or her designee, is authorized to conduct negotiations, execute documents, administer the contract amendment, modify or extend the agreement terms, and take any other action necessary with respect to the contract amendment consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That a copy of said amendment 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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

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COMMUNITY & ECONOMIC
DEVELOPMENT CMTE

MAR 23 2004

2004 MAR 11 PM 5:14

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

**REDEVELOPMENT AGENCY OF
OF THE CITY OF OAKLAND**

RESOLUTION No. _____ C.M.S.

**RESOLUTION AUTHORIZING THE AGENCY
ADMINISTRATOR TO NEGOTIATE AND
EXECUTE AN AGREEMENT WITH THE
OAKLAND BUSINESS DEVELOPMENT
CORPORATION TO UNDERWRITE AND
APPROVE COMMERCIAL LOANS IN AN AMOUNT
NOT TO EXCEED \$249,500**

WHEREAS, the Oakland Business Development Corporation ("OBDC") has had an existing contract 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, increasing 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

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MAR 23 2004

WHEREAS, the Agency finds that the Agreement with OBDC is for services of a professional or specialized nature; and

WHEREAS, the Agency 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 Agency does hereby authorize a professional services agreement between the Agency, City and OBDC to increase OBDC's authority to process, approve and administer commercial loans on behalf of the Agency for an amount up to \$249,500 ; and be it

FURTHER RESOLVED: That the Agency Administrator, or her designee, is authorized to conduct negotiations, execute documents, administer the contract , modify or extend the contract, and take any other action necessary with respect to the contract amendment 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 Agency Counsel and shall be placed on file in the Office of the Agency Clerk.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland, California

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COMMUNITY & ECONOMIC
DEVELOPMENT CMTE

MAR 23 2004

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO BY LOAN AMOUNT
03-03-04**

Borrower Name	Loan Type/ Program	Loan Status	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**
Loans from \$1,000,000 and up														
1a Fruitvale BART Transit Village FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	Current	2/20/96	6/21/99	\$3,300,000	\$3,199,919	\$0	204	7.50%	6/1/2016	Interest Only Payment Until Full Disburse- ment	\$3620.32 2/27/04	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	Per loan agreement and promissory note, interest only being paid on Section 108 loan. This loan will begin amortizing upon full disbursement of loan.
	EDI Grant	Grant			\$3,300,000	\$3,199,919	\$0	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 nearly completely disbursed. Project approximately 95% complete.
2a WEAP (Women's Economic Agenda Project) 8	ORA	Paid in Full	9/25/96		\$2,100,000	\$0	\$2,100,000	60	6.00%	8/1/2000		\$2,958,963.33 6/1/03	1st Deed of Trust on project property located at 449 - 15th Street, Oakland	PAID IN FULL.
	ORA	Settlement	9/25/96		\$320,000	\$0	\$320,000	36	7.00%	3/1/2000		\$2,481 2/1/01	3rd Deed of Trust on project property located at 449 - 15th Street, Oakland	PAID IN FULL
Jack London Gateway Plaza Shopping Ctr. (aka Acom Shopping Center) City of Oakland Redevelopment Agency FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	Current	11/4/97	12/15/97	\$2,100,000	\$2,100,000	\$0		7.40%	6/1/2006		\$292,435.12 6/20/03	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 \$788,323.65 to bring loan current through 7-31-03.
	EDI Loan	Converted to a Grant	11/4/97		\$883,000	\$870,000	\$0		N/A	N/A		N/A	N/A	These EDI funds 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	Grant	11/4/97		\$1,217,000	\$1,217,000	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.

**COMMUNITY & ECONOMIC
DEVELOPMENT CMTE
MAR 29 2004**

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO BY LOAN AMOUNT
03-03-04**

Borrower Name	Loan Type/ Program	Loan Status	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**
Loans from \$1,000,000 and up (cont'd)														
4 E. M. Health Services FLAGSHIP LOAN	EEC/RLF-HUD 108	Collections	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									
5 Negerbon Auto Center	Regular HUD 108	Paid in Full	6/22/2001 Comm. Date	4/30/00	\$1,000,000	\$0	\$1,000,000	132	7.50%	5/1/2011		\$986,570.73 12/23/03	Second deed of trust on all real property owned by borrower that is located in the block bounded by Broadway, 23rd, 24th and Valley Streets	PAID IN FULL
Loans from \$500,000 - \$999,999														
6 Lake Merritt Hotel Assoc.	Regular HUD 108	Current	8/19/94		\$800,000	\$719,446	\$80,554	120	7.50%	9/1/2004	\$5,593.72	\$5,593.72 2/17/04	1) 2nd deed of trust on project property 2) 2nd deed of trust on multi-unit residential rental property	Loan is being paid as agreed. Loan payments calculated on a 360 month amortization schedule with an approximate \$698,000 balloon payment upon 08/04 maturity
7a Just Real Estate, LLC	EEC/RLF-HUD 108	Default/ Foreclosure	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	Loan is in default. On 10-1-03 request to JWI Investment Corporation to release hold on foreclosure proceedings.
	EDI Loan	Default/ Foreclosure	4/11/00	7/21/00	\$650,000	\$650,000	\$0	180		8/1/2015		n/a	2) 4th deed of trust on project real estate	Loan is in default. On 10-1-03 request to JWI Investment Corporation to forward documentation to initiate foreclosure. This loan is the junior lien to our senior lien and will go to foreclosure sale date first. Foreclosure date has been scheduled for 10-31-03.
8 Just Desserts, Inc	EDI Loan	CAO/Bky. Filed	4/11/00	7/21/00	\$100,000	\$96,348	\$1,652	180		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.
9a Cornell Auto Center (Simi Management Corp)	Regular HUD 108	Current	5/28/02	9/6/02	\$673,174	\$659,176	\$13,998	163	6.00%	6/1/2016	\$ 4,170.03	\$4,211.73 2/23/04	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
	Commercial Industrial Revolving Loan Fund (CIRL)	Current	5/28/02	12/5/02	\$26,629	\$26,260	\$569	182	6.00%	8/1/2016	\$ 186.19	\$187.85 2/20/04	1) 2nd deed of trust on project real estate. 2) Personal guarantees	Loan is being paid as agreed.
10 Niman Ranch Properties	EEC/RLF-HUD 108	Current	3/3/99		\$600,000	\$511,027	\$88,973	180	7.50%	8/1/2015	\$ 5,562.07	\$5,617.69 3/1/04	1) 2nd deed of trust on commercial	Loans is being paid as agreed.
11 Niman McConnell	EDI LOAN	Current	3/3/99		\$600,000	\$489,023	\$110,977	180	3.50%	8/1/2015	\$ 4,286.62	\$4,331.51 3/1/04	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
034344**

Borrower Name	Loan Type/ Program	Loan Status	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**	
Loans from \$250,000 - \$499,999															
12a	Sunrise Specialty	EEC/RLF-HUD 108	Current	4/17/01	8/27/01	\$400,000	\$369,023	\$30,977	186	8.50%	12/1/2018	\$ 3,686.37	\$3,976.35 2/23/04	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.
12b		EDI Loan	Current	4/17/01	8/27/01	\$396,000	\$354,938	\$41,062	185	4.25%	12/1/2018	\$ 2,978.99	\$3,008.79 2/23/04	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.
13a	Gregory Truck Body FLAGSHIP LOAN	Flagship EEC/RLF-HUD 108	Collections	5/1/97	7/11/97	\$350,000	\$273,584	\$76,416	77	8.25%	8/1/2004		\$190,151.67 10/4/00	1) \$200,000 EDI Loss Reserve	Referred to Collections.
13b		EDI Loss Reserve				\$200,000									
		Regular HUD 108	Paid in Full	12/1/95	2/1/96	\$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.
14	Lamumba Corp. dba Geoffrey's Inner Circle	ORA Broadway Corridor	Current	7/8/97	7/15/97	\$271,200	\$223,483	\$47,717	240	8.00%	8/1/2017	\$ 2,268.43	2405.67 2/10/04	2nd deed of trust on project real estate	Loan is being paid as agreed.
15	Blackboard Entertainment	EEC/RLF-HUD 108	CAO/ Settlement	6/23/98	1/29/99	\$250,000	\$250,000	\$0	84	7.00%	2/1/2006		\$4,304.62 10/1/00	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)	All workout attempts have failed; the principal has filed personal bankruptcy Chapter 7. City Attorney is using all possible legal remedies to collect. As of 10-6-03, CAO has been notified by outside counsel that City will receive payments from the bankruptcy trustee once the final order has been entered by the court. Under settlement agreement, City will receive \$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.
		EDI Loss Reserve				\$250,000									
16a	J's & BH Enterprises FLAGSHIP LOAN	EEC/RLF-HUD 108	CAO/Bky Filed	6/26/97	6/26/97	\$250,000	\$250,000	\$0	75	8.25%	4/1/2004			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. Foreclosure action being pursued against business and personal real estate.
		EDI Loss Reserve				\$200,000									

**CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO BY LOAN AMOUNT
03-03-04**

Borrower Name	Loan Type/ Program	Loan Status	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
Loans from \$100,000 - \$249,999														
16a) J's & BH Enterprises FLAGSHIP LOAN	EEC/RLF-HUD 108	CAO/Bky Filed			\$100,000	\$61,693	\$0	84	8.50%	8/1/2004			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. Foreclosure action being pursued against business and personal real estate. No payments ever received on this loan, current principal balance outstanding represents actual amount disbursed.
	EDI Loss Reserve				\$100,000									
16c)	Regular HUD-108	CAO/Bky. Filed	1/11/95	6/5/96	\$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. Foreclosure action being pursued against business and personal real estate.
17a) Comet Skateboards	EEC/RLF-HUD 108	Current	5/7/02	7/25/02	\$160,000	\$151,979	\$8,021	89	7.00%	12/1/2009	\$2,840.04	\$2,866.44 2/17/04	Senior lien on all business assets to be purchased with City loan funds	Interest-only payment period ended 10/1/03. Fully amortized payments of principal & interest began 10/1/03 period. Loan is being paid as agreed.
17b)	EDI LOAN	Current	5/7/02	7/25/02	\$65,000	\$62,178	\$2,822	69	3.00%	12/1/2009	\$627.64	\$633.92 2/17/04		Interest-only payment period ended 10/1/03. Principal and interest payments are based on a 10-year amortization. Loan is being paid as agreed
18) General Nutrition Center	EEC/RLF-HUD 108	Settlement	4/3/00	7/24/00	\$156,000	\$30,316	\$125,684	84	7.50%	8/1/2007	\$ 2,392.77	\$137,898.56 8/14/03	1) UCC 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. City Attorney's Office is investigating all legal remedies to collect. Loan has Loan Loss Reserve funds to cover losses.
	EDI Loss Reserve				\$65,000									
19) Athlete's Foot (The)	EEC/RLF-HUD 108	Default/ Foreclosure	4/29/99	11/30/99	\$150,000	\$137,069	\$12,931	120	7.50%	11/1/2007	\$ 1,780.53	\$1,829.38 6/20/02	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	Default proceeding initiated. Bankruptcy filed 11/20/03. A Notice of Confirmation of Chapter 13 Bankruptcy Plan has been scheduled 4/12/04 to oppose or confirm a payment settlement for the debt.
	EDI Loss Reserve				\$120,000									
20) Print Shop (The)	EEC/RLF-HUD 108	CAO/Bky. Filed	2/2/99	3/23/99	\$150,000	\$121,104	\$28,896	96	7.00%	11/1/2007	\$ 2,045.06	\$2065.51 8/28/02	1) UCC-1 filing on equipment, fixtures & inventory 2) 2nd deed of trust on personal residence.	Loan has been forwarded to City Attorney's Office for collection. Litigation pending to collect debt. The CAO have been granted the motion of relief from stay as a result of the bankruptcy filing mid-October. Initiation of foreclosure proceedings have been completed
	EDI Loss Reserve				\$100,000									

CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO BY LOAN AMOUNT
03-03-04

Borrower Name	Loan Type/Program	Loan Status	Approval Date	Initial Funding Date	Total Amount Approved / 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	
Loans from \$100,000 - \$249,999 (cont'd)															
21a	Mitchell, Kenneth (Stone's Easy One Stop)	Regular HUD 108	Default/Foreclosure	5/1/98 Comm. Date	4/1/97	\$150,000	\$130,631	\$19,369	180	6.50%	5/1/2011	7/22/02	1) 1st deed of trust on project property 2) 2nd deed of trust on residential property 3) Senior security interest in business assets	Referred to JWI Investment Corporation on 10/1/03 to review loans documents and initiate foreclosure proceedings. Initiation of foreclosure proceedings have been completed.	
21b		Regular HUD 108	Default/Foreclosure	5/1/98 Comm. Date	4/1/97	\$55,000	\$45,207	\$9,793	180	6.50%	5/1/2011	7/22/02	1) 1st deed of trust on project property 2) 2nd deed of trust on residential property 3) Senior security interest in business assets	Referred to JWI Investment Corporation on 10/1/03 to review loans documents and initiate foreclosure proceedings. Initiation of foreclosure proceedings have been completed.	
22a	United Market	EEC/RLF-HUD 108	Not yet funded	12/17/02		\$145,000	\$145,000	\$0	168	7.00%			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	Not yet funded	
22b		EDI Loan	Not yet funded	12/1/02		\$105,000	\$105,000	\$0	168	4.00%				Not yet funded.	
23a	Pill Hill Printing	EEC/RLF-HUD 108	Default/Foreclosure	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.	OBDC referred loan to commercial lending to further pursue collections. Loan payments were 120 days delinquent. Referred to JWI Investment Corporation on 10/22/03 to review loans documents and initiate foreclosure proceedings. Initiation of foreclosure proceedings have been completed.
23b		EDI Loan	Default/Foreclosure	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		OBDC referred loan to commercial lending to further pursue collections. Loan payments were 120 days delinquent. Referred to JWI Investment Corporation on 10/22/03 to review loans documents and initiate foreclosure proceedings. Initiation of foreclosure proceedings have been completed. Debt service is calculated on a 20-year amortization schedule.
Loans from \$1 - \$99,999															
24	Upland Sports Group	EEC/RLF-HUD 108	Current	2/3/03	6/3/03	\$99,900	\$91,464	\$8,436	84	7.50%	6/1/2010	\$ 1,532.29	\$1547.81 2/27/04	1) Subordinate deed of trust on personal residence and other real estate. 2) Personal guarantees	Loan paid as agreed
25	La Loma Medical Center	EEC/RLF-HUD 108	Current	4/1/98	5/1/99	\$95,000	\$32,043	\$62,957	84	8.50%	12/1/2005	\$ 1,504.00	\$1,519.04 12/19/03	1) Senior security interest in business assets. 2) 2nd deed of trust on residential real estate 3) \$95,000 EDI Loss Reserve	Loan is being paid as agreed
		EDI Loss Reserve				\$95,000									
Loans from \$1 - \$99,999 (cont'd)															
26	Brew's Vision Unlimited dba Brew's	Regular HUD 108	Default/Foreclosure	6/15/00	6/29/00	\$95,000	\$95,000	\$0	120	9%	7/1/2010	\$5,000	6/18/02	1) UCC1 filing on equipment & fixtures 2) 4th deed of trust on personal residence in the amount of \$95,000.	Foreclosure sale scheduled March 22, 2004. CAO will report an update
27	FunBath Co.	EEC/RLF-HUD 108	Current	8/11/00	9/29/00	\$90,000	\$65,621	\$34,379	84	8.50%	10/1/2007	\$ 1,464.00	\$1,478.64 2/23/04	1) First security interest in all business assets 2) \$28,840 EDI Loss Reserve	Loan is being paid as agreed.
		EDI Loss Reserve				\$28,840									
28a	Allan's Ham and Bacon	EEC/RLF-HUD 108	CAO/Bky. Filed	8/28/99	11/17/99	\$80,000	\$78,870	\$1,130	84	7.50%	12/1/2008	\$1,063.07	4/3/03	1) 3rd deed of trust on personal residence in the amount \$147,000 2) 1st Security interest in all business assets	Borrower filed bankruptcy. Council has authorized designation of this loan as defaulted and the drawdown of \$13,000 EDI Loan Loss Reserve Funds to cover portion of losses. Litigation pending to recover money owed to City Court supervised settlement negotiations underway related to refinance of residential real estate securing loan. Borrower has been approved for a refinance of the residential real estate to partially pay off loan balance. CAO and staff will workout specifics regarding remaining balance secured by a promissory note.
		EDI Loss Reserve				\$13,000									
28b		EDI Loan	CAO/Bky. Filed	8/28/99	11/17/99	\$67,000	\$65,523	\$1,477	84	3.50%	12/1/2008	\$778.60	4/3/03	\$13,000 EDI Loss Reserve	Borrower filed bankruptcy. Council has authorized designation of this loan as defaulted and the drawdown of \$13,000 EDI Loan Loss Reserve Funds to cover future losses if needed. Litigation pending to recover money owed to City. Court supervised settlement negotiations underway related to refinance of residential real estate securing loan. Borrower has been approved for a refinance of the residential real estate to partially pay off loan balance. CAO and staff will workout specifics regarding remaining balance secured by a promissory note

CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO BY LOAN AMOUNT
03-03-04

Borrower Name	Loan Type/Program	Loan Status	Appraisal Date	Initial Funding Date	Total Amount Approved/Loan Loss Reversed	Current Principal Outstanding	Total Principal Amount Paid	Term (in Months)	Interest Rate	Maturity Date	Debt Service (Principal & Interest Only)	Amount On Loan P.P.	Security Interest Collateral	Comments
28 All About Hair	EEC/RLE-HUD 108 EDI Loss Reserve	CAO/Bky Filed	4/29/99	6/10/99	\$77,000 \$35,000	\$25,047	\$51,953	84	7.00%	12/1/2008	\$981.02	\$85,471	1st Security interest in all business assets	Borrower filed BK. Partial principal discharged. \$35,000 balance being paid through monthly payments by trustee. Details @ CAO.
30 Flex Therapy & Fitness (formerly Work Rehab)	EEC/RLE-HUD 108	Current	11/5/98	7/25/00	\$65,000	\$43,181	\$21,819	84	7.00%	5/1/2008	\$981.02	\$990,831	11 UCC filing on equipment, inventory	Loan is being paid as agreed
31 T P School Supplies	EEC/RLE-HUD 108 EDI Loss Reserve	Collections	8/25/98	12/23/98	\$55,000 \$44,300	\$55,000	\$0	84	8.00%	12/1/2008		\$100,000	1) Senior security interest in business assets 2) \$55,000 EDI Loss Reserve	Court judgment was obtained on 6/22/01. Judgment obtained was in the amount of \$13,982.04. Court has authorized disposition of this amount 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

CITY OF OAKLAND COMMERCIAL LOAN PORTFOLIO BY LOAN AMOUNT
03-03-04

Borrower Name / Program	Loan Type	Loan Status	Approval Date	Funding Date	Total Amount Approved Loans	Outstanding Current Principal	Outstanding	Total	Interest (in months)	Rate	Maturity Date	Days to Maturity (DMY)	Collateral	Security Interest	Comments
32 Wandas Cafe	EC/RFL-HUD 108	Current	10/1/98	11/9/98	\$48,000	\$17,494	\$30,506	\$17,494	84	8.00%	2/1/2008	\$ 748.14	1) Security interest in business 2) \$30,000 EDI Loss Reserve	Loan is being paid as agreed.	
33 Android Designs	EC/RFL-HUD 108	Collections	10/14/98	4/1/99	\$47,500	\$33,956	\$13,544	\$13,544	94	8.00%	1/1/2008		1) Senior security interest in business assets, \$47,000 EDI Loss Reserve 2) \$50,000 EDI Loss Reserve	Referred to Collections. Borrower notified City of personal bankruptcy 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	
34 Glacier Bay	EDA	Current	3/1/99		\$45,000	\$14,855	\$30,145	\$30,145	84	4.00%	3/1/2008	\$ 615.10	1) 3rd deed of trust on business real estate 2) First security interest in all business assets	Loan is being paid as agreed.	
35a Apulco Records	EC/RFL-HUD 108	Current	12/17/98		\$33,000	\$26,482	\$6,518	\$26,482	192	7.50%	6/30/2015	\$ 295.62	1) 2nd deed of trust on project real estate 2) \$298,581 business assets	Loan is being paid as agreed.	
35b EDI Loan		Current	12/17/98		\$33,000	\$27,755	\$5,245	\$5,245	192	3.00%	8/30/1900	\$ 243.21	2) 3rd deed of trust on project real estate	Loan is being paid as agreed.	
35c EDA		Current	12/17/98		\$33,000	\$27,496	\$5,504	\$5,504	240	4.00%	8/1/2015	\$ 199.97	1) 2nd deed of trust on project real estate	Loan is being paid as agreed. Companion loan to \$33,000 EC HUD Section 108 and \$33,000 EC EDI loans (See San Antonio/Fruitable EC Loans above).	
36 Simco Construction	EC/RFL-HUD 108	Current	10/15/03		\$30,000	\$28,716	\$1,284	\$1,284	60	10.50%	11/1/2008	\$ 644.82	2) 1st deed of trust on business real estate	Loan is being paid as agreed.	
37 Steel City Gym	EC/RFL-HUD 108	Collections	11/8/99	11/8/99	\$25,000	\$22,687	\$2,313	\$2,313	84	7.50%	4/1/2007		1) Senior security interest in business assets 2) \$10,900 EDI Loss Reserve	Court judgement 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	
38 Black-N-Style	EC/RFL-HUD 108	Collections	5/17/98	5/13/99	\$20,000	\$18,109	\$1,891	\$1,891	81	7.50%	3/1/2008		1) 1st security interest in business assets 2) \$15,000 EDI Loss Reserve	Court judgement 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	
39 Los Medanos Fund SBA		Current	4/1/81		\$12,500	\$8	\$12,500	\$8	300	6.00%	6/1/2005	\$ 80.50	1st security interest in business assets	Companion loan to \$10,000 CIRL loan to Ron Asher, Big "O" Tires loan below.	
40 Big "O" Tires	CIRL	Paid in Full	4/1/81		\$10,000	\$0	\$10,000	\$0	300	6.50%	3/1/2006	\$ 65.00	1) 2nd deed of trust on personal residence 2) UCC filing equipment & fixtures	PAID IN FULL	
Loans from \$1 - \$99,999 (cont'd)															
Day's Publication	Micro Loan	Current	10/1/94		\$10,000	\$3,706	\$6,294	\$6,294	88	10.25%	10/1/2007	\$ 100.00			Loan is being paid as agreed

Loans from \$1 - \$99,999 (cont'd)

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	Foreclosure
2) ORA - Acorn (Gateway) Shpg Ctr.	\$2,100,000	2) EMHS	\$1,100,000	Y	Collections
3) Lake Merritt Hotel Associates	\$800,000	3) 3J's & BH Enterprises	\$500,000	Y	Foreclosure
4) Sunrise Specialty	\$796,000	4) Gregory Truck Body	\$500,000	Y	Collections
5) Connell Auto Center	\$700,000	5) Blackboard Entertainment	\$250,000	Y	Settlement
6) Niman Ranch Properties	\$600,000	6) Pill Hill Printng	\$240,000	Y	Foreclosure
7) Niman McConnell	\$600,000	7) Ken Mitchell (Stone's Easy Stop)	\$205,000	Y	Foreclosure
8) Lamumba Corp	\$271,000	8) General Nutrition Center	\$30,000	Y	Partially PIF Judgement Pen
9) Comet Skateboards	\$225,000	9) Athlete's Foot	\$150,000	Y	Foreclosure
10) Upland Sports Group	\$99,900	10) Print Shop	\$150,000	Y	Collections
11) La Loma Medical Center	\$95,000	11) Allan's Ham & Bacon	\$147,000	Y	Workout
12) Fun Bath	\$90,000	12) Just Dessert, Inc.	\$100,000	Y	Foreclosure
13) Work Rehab	\$65,000	13) Brew's Vision Unlimited	\$95,000	Y	Foreclosure
14) Wanda's Cofe Barista	\$48,000	14) All About Hair	\$77,000	Y	Settlement

CURRENT ACCOUNTS		DELINQUENT/DEFAULTED ACCOUNTS			
Borrower	Loan Amount	Borrower	Loan Amount	Collection Initiated	Collection Action
15) Glacier Bay	\$45,000	15) TP School Supplies	\$55,000	Y	Judgement '01
16) Simco Construction	\$30,000	16) Android Designs	\$47,500	Y	Court Action
17) Acapulco Records	\$99,000	17) Steel City Gym	\$25,000	Y	Judgement '01
18) Los Medanos Fund	\$12,500	18) Black-N-Style	\$20,000	Y	Judgement '01
19) Day's Publications	\$10,000				
Total Principal Value	\$9,986,400	Total Principal Value	\$5,141,500		
% of Borrowers Current	51.4%	% Borrowers Delinquent/Defaulted	48.6%		
% of Dollar Volume Current	66.0%	% of Dollar Volume Delinquent/Defaulted	34.0%		

One Stop Capital Delinquent Loans Assigned to City Attorney – Status of Collection Efforts: 3/04						
OCA File No.	Borrower	Amount of Loan	Date of Disbursement	Date of Last Payment	Amount Due	Status of Collection Efforts
X00549	E.M. Health Services, Inc., Qiyamah Corp and Nedir Bey	1,000,000	4/1/98	No payments made	1,464,936 plus interest	Unsecured loan; no collateral. Default Judgment against E.M. Health was obtained in the amount of \$1,553,365.50. Abstracts of judgment have been filed in various counties and a judgment lien for personal property has been recorded with the State. This matter has been transferred to Revenue Collections for further collection of Default Judgment.
X01098	Gregory Truck Body & Fire Apparatus, Gwendolyn and Jesse L. Jones, and Edwin Griffin	350,000	7/11/97 and 9/18/97	10/4/00	273,584.03	Gregory Truck's Chapter 11 Bankruptcy is pending. At the last meeting of creditors it was determined that Gregory Truck had no assets. Recently, the City received a notice from the Bankruptcy court indicating assets have been found and that a dividend may be paid to creditors. It is unknown at this time whether the dividend referred to in the court's notice will be sufficient to pay off the entire debt to the City.
X01099	3J's and B.H. Enterprises	500,000 (\$250,000, \$150,000, \$100,000)	1/95, 6/97, 7/98	No payment made	Approx. 600,000	Litigation in the U.S. Bankruptcy court to collect on the total amount of the loan is pending. The borrower has filed an adversary petition to determine the validity of the City's deeds of trust securing the commercial loans. This matter has been referred to outside

One Stop Capital Delinquent Loans Assigned to City Attorney – Status of Collection Efforts: 3/04						
OCA File No.	Borrower	Amount of Loan	Date of Disbursement	Date of Last Payment	Amount Due	Status of Collection Efforts
						counsel to respond to the Bankruptcy Adversary Complaint. A motion to dismiss the Adversary Complaint has been tiled and will be heard on March 15 2004. If the Complaint is dismissed, the City will obtain relief from the bankruptcy stay and proceed with non-judicial foreclosure.
X01051	William Brew, dba Brew's Vision Unlimited Corp.	95,000	6/29/00	No payments made	110,815	The City's action to determine ownership of the property (Quiet title) in hopes of obtaining the right to sell and obtain payment is pending. The City has amended the complaint to recover unpaid real estate transfer taxes in the amount of approximately \$58,000. Discovery in the case is underway. The CAO expects to file a motion for summary judgment after all discovery is completed in or about April 2004. A trustee sale by a junior not holder is scheduled for March 22, 2004. If that sale takes place, the City's note will be paid.
X00968	Marcela Davison-Aviles, dba Blackboard Entertainment	250,000	1/25/99	11/1/00 and 2/2/01	241,655.69	Ms. Davison-Aviles filed bankruptcy. The City pursued recovery through Bankruptcy Court. Ms. Davison-Aviles has no equity in her residence and the City's debt is unsecured. The parties have entered into settlement agreement in which Ms.

One Stop Capital Delinquent Loans Assigned to City Attorney – Status of Collection Efforts: 3/04						
OCA File No.	Borrower	Amount Loan	Date of Disbursement	Date of Last Payment	Amount Due	Status of Collection Efforts
						<p>Davison-Aviles agreed to pay the City \$15,000 to be made in \$400/month installments under supervision of the Bankruptcy court. The remaining amount owed to the City is not collectable.</p> <p>Draw-down on HUD EDI funds should proceed if applicable.</p> <p>The monthly payments will be delivered to the CAO pursuant to the settlement agreement.</p>
X01610	D&J International dba The Print Shop	150,001	3/23/99	4/1/02	123,396	<p>Litigation is pending to collect the debt. Both Mr. and Mrs. Jeffrey (recently divorced) have filed bankruptcy. The residential property securing the HUD loan is in Mrs. Jeffrey's name. The City has obtained relief from the Bankruptcy automatic stay to proceed with non-judicial foreclosure on the residential property. During the 90-day redemption period, Mrs. Jeffrey will have the property listed for sale for \$310,000. If the property is sold on the open market, the loan will be paid off through escrow. If the property is not sold before the 90-day redemption period is over, the City will publish a notice of sale and conduct a foreclosure sale of the property.</p>
X01551	Negherbon Auto Center	1,000,00	4/20/00	6/02	962,412	<p>This loan has been paid in full and the dismissal of the court action relative to</p>

One Stop Capital Delinquent Loans Assigned to City Attorney – Status of Collection Efforts: 3/04						
OCA File No.	Borrower	Amount of Loan	Date of Disbursement	Date of Last Payment	Amount Due	Status of Collection Efforts
						this loan has been filed.
X01699	The Athlete's Foot	150.000	10/22/99	5/1/02	131,409	Non-judicial foreclosure has been initiated by One Stop Capital Shop. The owners of Athlete's Foot have filed a Chapter 13 Bankruptcy Petition and are seeking to reduce the amount it must pay to the City. The City will file an objection to the Chapter 13 plan and seek relief from the automatic stay to proceed with the foreclosure sale.
X01100	Troy Belton dba Black-N-Style	\$20,000	5/13/99	7/27/00	\$19,359	City obtained judgment for \$19,359 against borrower . Abstract of judgment was issued on 6/8/01. In 12/02 a personal property lien was recorded. Litigation file is closed. The matter has been forwarded to Revenue Collections for further collection on the judgment.
X00734	Carrie Sevian-Decker, dba Carrie's Landing Restaurant	150,000	7/17/95	No payments made	185,805.27	Default judgment for \$178,200 was entered on 3/1/02 . Abstract of judgment issued in 6/02. Litigation file is closed. The matter has been forwarded to Revenue Collection for collection on the judgment.
X00735	Just for You Janitorial, Betty Smith	10,000	1/19/95	10/02	16,068.07	Judgment against the borrower for \$10,825.00 was entered September 8, 2003. The matter has been forwarded to Revenue Collections to collect on the judgment.

One Stop Capital Delinquent Loans Assigned to City Attorney – Status of Collection Efforts: 3/04						
OCA File No.	Borrower	Amount of Loan	Date of Disbursement	Date of Last Payment	Amount Due	Status of Collection Efforts
X01813	Stone's One Easy Stop (Ken Mitchell)	\$205,000 (\$55,000 & \$150,000)	11/3/96 & 5/28/97	7/22/02	\$220,738	City Attorney's Office has recommended that One Stop Capital Shop proceed with non-judicial foreclosure. Non-judicial foreclosure is being initiated by Commercial Lending.
X01783	Jimmie D. and Deborah M. Stanfield dba R&D BBQ	\$10,000	12/11/94	7/24/00	\$13,280	City obtained judgment against borrower in the amount of \$13,962.04 on 6/22/01 . Business assets were of little value. The judgment has been recorded in the County of Alameda and a judgment lien has been filed with the state. The litigation file is closed and the matter has been referred to Revenue Collections for further collection on the judgment.
X01102	TP School Supplies	\$55,000	12/23/98	1/1/01	\$57,627	City obtained default judgment against borrower in the amount of \$57,627.86 on 7/3/01 . Borrower filed Chapter 7 bankruptcy on 9/19/01. The bankruptcy trustee filed a report of no assets on 10/19/01 and bankruptcy case was closed on 2/1/02. Recovery in this case is very unlikely. The matter is being forwarded to Revenue Collections for further collection on the judgment if possible. Collection is unlikely.
X01845	Philip and Miranda Nchekwuhe dba General Nutrition Center	\$156,000	7/24/00	5/29/02	\$152,780.95	GNC made a substantial payment on the loan (approximately 80%). Litigation may be necessary to collect the outstanding balance.

One Stop Capital Delinquent Loans Assigned to City Attorney – Status of Collection Efforts: 3/04						
OCA File No.	Borrower	Amount of Loan	Date of Disbursement	Date of Last Payment	Amount Due	Status of Collection Efforts
	Just Real Estate/Just Desserts Inc.	\$800,000 \$650,000 \$100,000		8/01	1,550,000	The first 2 loans that were secured by the commercial property located at 550 85 th Avenue have been wiped out by a non-judicial foreclosure sale conducted by a senior note holder (in the amount of \$5 million). Staff has requested that the City Attorney's Office evaluate what options if any the City has to recover money owed on the those 2 loans to Just Real Estate. Just Desserts, Inc. has filed a bankruptcy petition and the City has received a notice of possible dividend. City will file a claim in the bankruptcy matter to collect on the unsecured \$100,000 loan.
X01319	Allan's Ham & Bacon	147,000	11/2/99	6/03	149,220	Litigation is pending to collect the money owed to the City. The City has been engaged in settlement negotiations with the borrower under supervision of the judge. The plan to pay off the HUD 108 portion of the loan through refinance of borrower's home is not viable because the City will be required to do a full reconveyance of the \$147K deed of trust and the remaining balance due on the loan will be left unsecured. Non-judicial foreclosure on borrower's residential property has been initiated by Commercial Lending.

**REGULAR HUD-108, EEC HUD-108/EDI AND FLAGSHIP LOAN JOB CREATION MATRIX
February 2004**

Borrower Name	Loan Type/Program	Original Loan Amount	Job Monitor Start Date (JMSD)	# Existing Jobs at JMSD	# of Current Employees	Job Growth since JMSD	Target Job Creation	% of Job Creation	Current # EEC Residents since JMSD	% of Jobs Filled by EEC to job growth since JMSD	# EEC Residents Currently Employed	% EEC Residents Currently Employed	# Oakland Residents Currently Employed	# Low-Mod Residents Currently Employed	# Current Employees Retained 60 Days since JMSD	# Current Jobs Filled with Low Mod Oakland residents since JMSD
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PERFORMING EEC LOANS

*** JOB MONITOR START DATE (JMSD)**

Reported - February 2004.	EDI Loan EEC/RLF-HUD 108	\$33,000 \$33,000 \$33,000	12/17/1998 12/17/1998	7	9	2	4	50%	1	50.0%	1	11.1%	4	8	7	4
Acorn Plaza (Jack London Gateway)	EEC/RLF HUD 108 EDI Loan EDI Grant	\$800,000	11/4/1997 11/4/1997 11/4/1997	60	142	82	85	96%	6	7.3%	15	10.6%	43	55	66	27
Currently collecting information for next report March 2004. Number reporting on is 69. Missing some low-mod forms. Many forms are incomplete. McDonald's and KFC will not provide information. Please note - Numbers included for current employees at JMSD. We do not have any information from McDonald's & KFC to include on EEC, Oakland resident or Low/Mod.																
Comet Skateboards Reported - February 2004.	EEC/RLF-HUD 108	\$225,000	5/7/2002	8	4	-4	7	-57%	0	0.0%	0	0.0%	2	3	0	0

Reported - February 2003	EEC/RLF-HUD 108	\$90,000	8/1/2000	1	3	2	3	67%	0	0.0%	1	0.0%	3	3	2	2
La Loma Medical Center Did not report - February 2004. Reported - January 2004. Missing 3 Low/Mod forms.	EEC/RLF-HUD 108	\$65,000	3/1/1998	8	12	4	2.5	160%	0	0.0%	0	0.0%	9	7	12	6
Niman Ranch Properties (Including New Oakland Cattle Company) Reported - February 2004. Missing 1 Low/Mod form.	EEC/RLF-HUD 108 EDI Loan	\$600,000 \$600,000	3/5/1999 3/3/1999	25	112	87	35	249%	20	23.0%	20	0.0%	60	92	97	53

PHI Hill Reported - February 2004. Missing 4 Low/Mod forms.	Total	\$240,000 \$254,000 \$494,000	11/26/2001	2	4	2	8	25%	0	0.0%	0	0.0%	3	0	3	0
Simco Construction Reported - February 2004. Missing 4 Low/Mod forms.	EEC Loan	\$30,000	10/15/2003	0	4	1	1	30%	0	0.0%	0	0.0%	0	0	0	0
Sunrise Specialty Reported - February 2004. Please note: Numbers for EEC, Oakland and Low-Mod residents since JMSD only.	EEC/RLF Hud 108/EDI	\$800,000	4/17/2001	21	28	7	23	30%	1	14.3%	1	3.6%	9	7	11	2
Upland Sports Group Did not report - February 2004. Did not report - January 2004.	EEC Loan	\$99,900	7/1/2003	0	0	10	10									
Wanda's Cafe Barista Reported - February 2004. Missing 4 Low/Mod forms.	EDI Loss Reserve EEC/RLF-HUD 108	\$48,000	10/1/1998	0	4	4	2	200%	0	0.0%	0	0.0%	1	0	1	0

REGULAR HUD-108, EEC HUD-108/EDI AND FLAGSHIP LOAN JOB CREATION MATRIX
February 2004

Borrower Name	Loan Type/ Program	Original Loan Amount	Job Monitor Start Date (JMSD)	# Existing Jobs at JMSD*	# of Current Employees	Job Growth since JMSD*	Target Job Creation	% of Job Creation Met	Current # EEC Residents since JMSD*	% of Jobs Filled by EEC to job growth since JMSD*	# EEC Residents Currently Employed	% EEC Residents Currently Employed	# Oakland Residents Currently Employed	# Low-Mod Residents Currently Employed	# Current Employees Retained 60 Days since JMSD*	# Current Jobs filled with Low Mod Oakland residents since JMSD*
Work Rehab <i>Reported - February 2004. Missing 2 Low/Mod forms.</i>	EEC/RLF HUD 108	\$65,000	11/5/1999	0	4	4	2	200%	1	25.0%	1	25.0%	2	0	3	0
Fruitvale Transit Village <i>Meeting scheduled for 3/18/04.</i>	EEC/RLF HUD 108	\$6,600,000	2/20/1996				132									

TOTALS/ AVERAGES (EEC)

\$11,139,900 132 326 190 314.5 60% 29 15.3% 39 12.0% 136 175 202

REGULAR HUD-108, EEC HUD-108/EDI AND FLAGSHIP LOAN JOB CREATION MATRIX
February 2004

Borrower Name	Loan Type/ Program	Original Loan Amount	Job Monitor Start Date (JMSD)	# Existing Jobs at JMSD*	# of Current Employees	Job Growth since JMSD*	Target Job Creation	% of Job Creation Met	Current # EEC Residents since JMSD*	% of Jobs Filled by EEC to job growth since JMSD*	# EEC Residents Currently Employed	% EEC Residents Currently Employed	# Oakland Residents Currently Employed	# Low-Mod Residents Currently Employed	# Current Employees Retained 60 Days since JMSD*	# Current Jobs filled with Low Mod Oakland residents since JMSD*
NON-PERFORMING EEC LOANS																
3 J's and BH Enterprises	EEC/RLF-HUD 108	\$350,000	6/26/1997				10	0%								
Out of business	EEC/RLF-HUD 108	\$100,000	7/1/1998				3	0%								
All About Hair	EEC/RLF-HUD 108	\$77,000	6/10/1999				2.5	0%								
Business is still in operation under the authority of the Bankruptcy Court																
Allan's Ham and Bacon	EDI Loss Reserve EEC/RLF-HUD 108	\$80,000	8/26/1999				4	0%								
EDI Loan		\$67,000	8/26/1999													
Business is still in operation under the authority of the Bankruptcy Court																
Android Designs	EEC/RLF-HUD 108	\$47,500	4/1/1999				1.5	0%								
Out of business																
Athlete's Foot	EDI Loss Reserve EEC/RLF-HUD 108	\$150,000	4/29/1999	0		0	4.3	0%	1				2	1	2	
COMPANY CLOSED. Reported - December 2002. Reporting separately as borrower, not under Acorn Plaza																
Black-N-Style	EEC/RLF-HUD 108	\$20,000	5/13/1999				1	0%								
Out of business																
Blackboard Entertainment	EEC/RLF-HUD 108	\$250,000	1/29/1999				7	0%								
Out of business																
Carter Brown Catering	EDI Loss Reserve EEC/RLF-HUD 108	\$49,500	4/21/2000	4	5	1	11	9%	0	0.0%	0	0.0%	3	1	5	
additional loan		\$54,000	3/22/2002													
LOAN PAID OFF. Reported - December 2002																
Just Real Estate, LLC	EEC/RLF-HUD 108	\$800,000	7/1/2001													
EDI EEC-RLF		\$650,000	7/1/2001													
Just Desserts, Inc.	EDI EEC-RLF	\$100,000	7/1/2001	140	0	-140	45	0%	0	0.0%	0	0.0%	0	0	0	0
Company sold. Reopened under new name: New Desserts - DBA Just Desserts.																
EM Health Services	EEC/RLF-HUD 108	\$1,100,000	6/26/1997				32	0%								
Out of business																
Joseph Company (The)	EEC/RLF-HUD 108	\$33,000	6/10/1999													
EDI Loan		\$33,000	6/10/1999													
EDA		\$33,000	6/10/1999				3									
LOAN PAID OFF.																
General Nutrition Center	EDI Loss Reserve EEC/RLF-HUD 108	\$156,000	4/3/2000	11		-11	4	-275%	0	0.0%			0	0	1	
COMPANY CLOSED. Reported - December 2002.																
Gregory Truck Body	EEC/RLF-HUD 108	\$350,000	8/26/1999				10	0%								
(FLAGSHIP LOAN) Business has declared bankruptcy																
Print Shop (The)	EEC/RLF-HUD 108	\$150,000	2/2/1999	3	4	1	3.5	29%	0			0.0%	4	1	4	1
Reported - February 2004. Missing 3 Low/Mod forms.																
TP School Supplies	EEC/RLF-HUD 108	\$55,000	12/23/1998				2	0%								
Out of business																

REGULAR HUD-108, EEC HUD-108/EDI AND FLAGSHIP LOAN JOB CREATION MATRIX
February 2004

Borrower Name	Loan Type/ Program	Original Loan Amount	Job Monitor Start Date (JMSD)	# Existing Jobs at JMSD*	# of Current Employees	Job Growth since JMSD*	Target Job Creation	% of Job Creation Met	Current # EEC Residents since JMSD*	% of Jobs Filled by EEC to job growth since JMSD*	# EEC Residents Currently Employed	% EEC Residents Currently Employed	# Oakland Residents Currently Employed	# Low-Mod. Residents Currently Employed	# Current Employees Retained 60 Days since JMSD*	# Current Jobs filled with Low Mod Oakland residents since JMSD*
<u>TOTALS/ AVERAGES (EEC non- perf)</u>		\$4,178,000					128.3	0%								
<u>TOTALS/ AVERAGES (perf + non-perf)</u>		\$15,317,900					442.8	0%	29				136	175	202	

**REGULAR HUD-108, EEC HUD-108/EDI AND FLAGSHIP LOAN JOB CREATION MATRIX
February 2004**

Borrower Name	Loan Type/ Program	Original Loan Amount	Job Monitor Start Date (JMSD)	# Existing Jobs at JMSD*	# of Current Employees	Job Growth since JMSD*	Target Job Creation	% of Job Creation Met	Current # EEC Residents since JMSD*	% of Jobs Filled by EEC to job growth since JMSD*	# EEC Residents Currently Employed	% EEC Residents Currently Employed	# Oakland Residents Currently Employed	# Low-Mod Residents Currently Employed	# Current Employees Retained 90 Days since JMSD*	# Current Jobs filled with Low Mod Oakland residents since JMSD*
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PERFORMING REGULAR HUD-108 LOANS (TRACKING LOW-MOD RESIDENTS ON THESE)

Connell Auto Center		\$673,171	5/28/2002	163	176	13	20	65%		N/A		N/A	27	35	69	15
<i>Reported - February 2004. Please note: Numbers for EEC, Low-Mod and Oakland residents are since JMSD (not total number of employees). Missing some Low-Mod forms.</i>																
Lake Merritt Hotel Assoc.			1/1/1996	73	21	-52	23	-226%		N/A		N/A	12	11	18	7
<i>Reported February 2004. Missing 6 Low/Mod forms.</i>																

**TOTALS/ AVERAGES (HUD-108
perf)**

\$673,171	236	197	-39	43	-91%	0	N/A	0	N/A	39	46	87
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NON-PERFORMING REGULAR HUD-108 LOANS (TRACKING LOW-MOD RESIDENTS ONLY ON THESE)

Brew's Vision Unlimited <i>Out of business</i>	Regular HUD 108 loan defaulted	\$95,000	6/15/2000	0		0	3	0%								
Negherbon Auto Center	Regular HUD 108	\$1,000,000	3/31/2001	100	38	-62	40	-155%		N/A		N/A	10	13	13	2
<i>Reported - February 2004. Missing 4 Low/Mod forms.</i>																
Stone's One Easy	Regular HUD 108	\$220,000	8/1/1997	2	4	2	7	29%		N/A		N/A	2	3	4	2
<i>Reported - February 2004. Missing 1 Low/Mod form.</i>																

**TOTALS/ AVERAGES (HUD-108
non-perf)**

\$1,315,000	50	0%	12	16	17
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**TOTALS/ AVERAGES (HUD-108
perf + non-perf)**

\$1,988,171	-39	93	-42%	51	62	104
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Oakland Grown v. Recruited Firms Performance
 LOAN SUMMARY (1996-2004)"

	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 (%)
Loan Assistance to:								
Established Oakland Companies	41	87.2%	\$19,500,063	83.7%	26	63.4%	15	36.6%
Companies Recruited to Oakland	6	12.8%	\$3,796,000	16.3%	3	50.0%	3	50.0%
TOTAL	47		\$23,296,063		29		18	

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

COMMUNITY & ECONOMIC
 DEVELOPMENT
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