



City of Berkeley

Office of Economic Development  
City Manager's Office  
City of Berkeley  
2180 Milvia  
Berkeley, CA 94704

September 25, 2024

**RE: Recommended action for Item C(i) on the October 1, 2024 Loan Administration Board agenda**

Dear Loan Administration Board (LAB),

I wanted to follow up on my previous email from July 15, 2024, regarding the opportunity for the city to de-federalize our Revolving Loan Fund (RLF), granted by the U.S. Department of Commerce Economic Development Administration. This opportunity arose due to our strong loan management rating and our successful administration of the fund since 1980. I'm pleased to inform you that the U.S. EDA has approved our request and has provided the attached release agreement.

The most significant immediate benefit of this de-federalization is the elimination of the requirement for staff to submit semi-annual and annual reports to the U.S. EDA. Additionally, it enables us to leverage the RLF to access further financial resources, enhancing the value and impact of the original federal investment.

To maximize efficiency in our RLF program, city staff has collaborated with our partners at Working Solutions, CDFI. They analyzed our current program, reviewed best practices in the lending industry, and provided recommendations for improving loan application review, servicing, and technical assistance for our existing and future recipients. Their analysis has led to a proposal for a new partnership where Working Solutions, CDFI will handle application review, underwriting, loan origination, servicing, and technical assistance.

To implement this partnership, staff proposes an amendment to the RLF Administrative Plan. This amendment will require review and approval from the Loan Administration Board (LAB), followed by a resolution from the City Council. We believe this will enhance service for our loan recipients and expand our outreach to new applicants. Furthermore, it will significantly streamline the loan review and approval process while providing applicants with increased privacy.

Working Solutions, CDFI has also agreed to provide quarterly reports detailing our existing RLF portfolio and loan applicant pipeline. They will also continue to manage the City's COVID-19 RLP program through 2027.

In conclusion, **staff recommends approval** of Item C(i) and will be available to address any questions during the meeting and I want to thank all of the current and previous Loan Administration Board members for your dedication and service.

Public

Best regards,

Kieron Slaughter  
Loan Administration Board Secretary

cc:  
Eleanor Hollander, Manager  
Office of Economic Development