

CITY OF OAKLAND
COUNCIL AGENDA REPORT

OFFICE OF THE CITY CLERK
2800 KATE ST. SUITE 609
OAKLAND, CA 94612

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Department of Human Services
DATE: March 7, 2006

RE: **SUPPLEMENTAL REPORT ON A REDEVELOPMENT AGENCY RESOLUTION AUTHORIZING A LOAN GUARANTY FOR 15 YEARS IN THE AMOUNT OF \$1.8 MILLION PLUS INTEREST TO EAST OAKLAND COMMUNITY PROJECT AND A CITY RESOLUTION ALLOCATING \$1 MILLION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME TO EAST OAKLAND COMMUNITY PROJECT FOR DEVELOPMENT OF A NEW HOUSING FACILITY FOR THE HOMELESS AT 7515 INTERNATIONAL BOULEVARD**

This report provides additional information requested by the Community and Economic Development (CED) Committee on February 28, 2006, regarding the proposed Agency Resolution for a Loan Guaranty for 15 years in the amount of \$1.8 million plus interest and a City Resolution allocating \$1 million in CDBG Program Income to East Oakland Community Project (EOCP).

The CED Committee had specific concerns about the percentage of jobs that would be available to Oakland residents during the construction of the new facility, and, once the facility is operational. Attached is the Standard Construction Agreement that is required for all CDBG funded construction projects. Section 28 of the Agreement addresses the Employment and Contracting requirements, which include, among other things, the following requirements:

HUD Section 3: A requirement that employment opportunities be given to low and very low income persons.

City Local Employment Requirements: Fifty percent (50%) of work hours at the construction site shall be furnished by Oakland residents on a craft-by-craft basis, and that fifty percent (50%) of all new construction hires shall be Oakland residents.

City 15% Apprenticeship: 15% of the total workforce hours go to Oakland apprentices.

City Local/Small Local Business Enterprise Requirements: A minimum of 20% local business participation is required at a rate of 10% certified local businesses and 10% certified small local businesses or 20% certified small local business participation.

EOCP agrees to aggressively hire Oakland residents to fill any new positions when the facility becomes operational.

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The Resolutions have been modified to specify that the project will be subject to the standard employment and contracting requirements that apply to all City and Agency subsidized developments, including Prevailing Wage, Living Wage, the City Local Employment Program for construction (including the 15% Apprenticeship Program requirements) and Local and Small Local Business Enterprise Program, Equal Benefits, and First-Source Hiring.

After the submission of the original report, EOCP notified staff of updates to the Loan Guaranty which should be reflected in the report and the resolutions. The updated language concerns the amount of the principal that will be reduced each year from the Loan Guaranty.

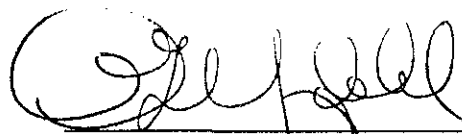
Previous language: The maximum principal amount constituting the Guaranteed Obligations shall be reduced each year by \$93,333.33 on the anniversary date of the Loan Guaranty.

New language: The maximum principal amount constituting the guaranteed obligations will be reduced each year by an amount to be set forth in the guaranty.

Attached is an amortization schedule which breaks down the payment amount for each month and the reduction for each year.

The attached revised resolutions reflect the updated language for the Loan Guaranty and the CDBG funding.

Respectfully submitted,



ANDREA YOUNGDAHL
Director, Department of Human Services

Prepared by:
Susan R. Shelton, Interim Manager
Community Housing Services Division

**APPROVED AND FORWARDED TO
THE CITY COUNCIL:**



Office of the City Administrator

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**EOCP Loan Guaranty
Council Agenda Supplemental Report**

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STANDARD REQUIREMENTS – CONSTRUCTION AGREEMENTS

I. COMPENSATION

A. The City's obligations shall in no event exceed the amount specified in this Agreement. Any costs above this amount necessary for the completion of the work to be performed under this Agreement shall be the responsibility of the Contractor.

B. The payment of all costs incurred in the performance of this Agreement shall be the sole responsibility of, and be borne by, the Contractor.

C. Payments to the Contractor by the City for non-recurring expenses shall be billed once, and within the terms of this Agreement.

D. Method of Payment: The project funds shall be disbursed no more than twice a month in the amount commensurate with the value of the work completed and validated by the City at the time of the payment inspection, less ten percent (10%) retention. Payment shall be contingent upon: 1) Inspection and valuation of improvements by the Residential Lending-Construction Monitoring staff of the City/Community and Economic Development Agency; and, 2) Certification by the Project Administrator that the Contractor has met the programmatic terms and conditions of the Agreement.

E. Payment Documentation: Payment requests must be supported by detailed documentation of the actual costs incurred including payroll, time sheets, invoices and proof of payment. The release of funds shall be contingent upon compliance with all reporting requirements.

II. BUDGET

Any requested modification to the line items of the Budget attached to this Agreement and incorporated as part of this Agreement, shall be reviewed and approved by the City through its Community and Economic Development Agency. Any change in the number or type of personnel or increase in salary amounts shown in the Agreement Budget requires the prior written approval of the Administering Department. Budget modifications shall not alter: 1) The basic scope of services required to be performed under this Agreement; 2) The time period for the services to be performed under this Agreement; and 3) The total amount of the authorized budget of this Agreement. Any of the cost categories shown in the Agreement Budget may be exceeded by up to ten percent (10%) of the indicated figure, provided that the total approved amount of allowable costs is not exceeded.

III. FINANCIAL REQUIREMENTS

A. The Contractor shall be accountable to the City for all funds requested by and released to the Contractor pursuant to this Agreement and the disbursement thereof.

B. The Contractor shall maintain a full set of books on a double entry basis in accordance with generally accepted accounting principles and procedures and regulations as deemed necessary by the City. Such records shall be maintained by qualified personnel and in a timely manner.

C. All financial reports and schedules shall be prepared in accordance with generally accepted accounting principles.

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D. Costs incurred during the period in which the insurance coverage required in Section XVII of this Exhibit is not in full force may be disallowed by the City and the City shall be excused from any liability for any such disallowed costs.

E. The Contractor will provide the governing agency and the City Auditor a compilation financial statement prepared in accordance with Generally Accepted Accounting Principles no later than forty-five (45) days after the end of each calendar quarter for agreements over \$75,000.

F. Disbursement of funds will be contingent upon compliance with all reporting requirements set forth in this Agreement.

G. If the Contractor receives funds from any source other than from this Agreement, a separate fund account in the Contractor's books must be established and used for all Federal monies received under this Agreement and such funds shall not be commingled with any other funds.

H. Authorized representatives of the City shall perform fiscal monitoring of Contractor's record-keeping and reporting to assure compliance with this Agreement.

I. Any funds received as return of costs, as income generated from fees or charges for the activities funded by this Agreement, or as proceeds from repayments including principal and interest of loan funds provided by City to Contractor in this Agreement and its predecessors are program income which is the property of the City but which may be used by the Contractor during the period of the Agreement for the activities funded by the Agreement. Contractor is accountable to City for the use of those funds until such time as City formally relinquishes rights to the funds. The program income received shall be reported to the City on a monthly basis, and disbursement of funds under the Agreement shall be reduced by the amount of program income balances on hand. In the event of dissolution of Contractor's agency, all rights to outstanding loans shall be transferred to City. Loan repayments under this Agreement are to be paid by clients to an account designated by City for receipt of said payments.

IV. INTERNAL REVENUE SERVICE REQUIREMENTS

Under Section 6109 of the Internal Revenue Code, fees paid to contractors and others for personal services must be reported to the Internal Revenue Service by the City. A Social Security identifying number must be furnished to the City for reporting purposes, whether or not the payee is required to file a tax return.

V. COMMENCEMENT AND COMPLETION REQUIREMENTS

A. It shall be the responsibility of the Contractor to coordinate and schedule the work to be performed so that commencement and completion will take place in accordance with the provisions of this Agreement. The City may extend the time for completion of the Agreement in writing, if it determines that delay in the progress of work is not attributable to the negligence of the Contractor and that such delay was due to causes beyond the control of the Contractor.

B. Any time extension granted to the Contractor to enable the Contractor to complete the work shall not constitute a waiver of rights the City may have under this Agreement.

C. Should the Contractor not complete the work described in the Agreement by the scheduled date or by an extended date, granted by the City in writing, pursuant to previously stated conditions, the City shall be released from all conditions of this Agreement.

D. Upon completion of performance under this Agreement and a determination of final costs, Contractor shall submit to the City a Certificate of Completion, unless otherwise provided in this Agreement.

E. The Contractor may hold over and continue in implementation of this Agreement after the scheduled completion date of this Agreement only with the express written consent of the City thereto. Such holding over shall be construed as a continuation of said Agreement from month to month and upon the same terms and conditions as herein provided for the original period thereof.

VI. MODIFICATION OF AGREEMENT

The City and Contractor may, after mutual consultation and agreement and upon receipt of prior written approval from the City, make written additions and changes in the provisions to be performed by Contractor and City under this Agreement. Any such additions or changes shall be in writing and signed by both parties.

VII. TERMINATION FOR CAUSE AND REMEDIES

A. The City may terminate this Agreement in whole or in part immediately for cause, which shall include as example but not as a limitation:

1. Failure, for any reason, of Contractor to fulfill in a timely and proper manner its obligations under this Agreement, including compliance with City, State and Federal laws and regulations and applicable directives;
2. Failure to meet the performance standards contained in other Sections of this Agreement;
3. Improper use or reporting of funds provided under this Agreement; and
4. Suspension or termination by HUD of the grant to the City under which this Agreement is made, or the portion thereof delegated by this Agreement.

B. In addition to or as an alternative to termination of this Agreement, upon the failure of Contractor to fulfill its obligations under this Agreement or upon any other material breach of any term or condition of this Agreement by Contractor, the City, in its discretion, may take any of the following actions:

1. Suspend payments under this Agreement pending Contractor's cure of said breach;
2. Demand immediate reimbursement of any funds disbursed under this Agreement;
3. Bring an action for equitable relief (a) seeking the specific performance by Contractor of the terms and conditions of the Agreement, and/or (b) enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;
4. Bar Contractor from future CDBG funding by the City; and/or
5. Pursue any other remedy allowed at law or in equity.

VIII. NON-ASSIGNMENT

Contractor shall not sell or assign the Agreement without the written consent of the City. In the event of death or incapacity to perform under the Agreement, no rights shall accrue to any heirs,

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administrators, executors, or any other person, and the Agreement, under these conditions, shall be declared terminated.

IX. NON-SOLICITATION CLAUSE

The Contractor warrants that he/she has not employed or retained any company or persons, other than a bonafide employee working solely for the Contractor, to solicit or secure this Agreement and that he/she has not paid or agreed to pay any company or person, other than a bonafide employee working solely for the Contractor, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the compensation amount of this Agreement, or otherwise recover the full amount of such fee, commission, percentage brokerage fee, gift, or contingent fee.

X. CONTRACTOR NOT AGENT OF CITY

Except as the City may specify in writing, Contractor shall have no authority to act as the City's agent. The Contractor shall have no authority to bind the City to any obligation.

XI. LAWS, REGULATIONS, FEES, TAXES

A. Contractor shall carry out its responsibilities pursuant to this Agreement in accordance with all applicable Federal, State of California and Local laws and all policies, procedures, regulations and requirements as HUD, State of California, and City may from time to time prescribe.

Contractor shall comply with all statutes and HUD regulations applicable to subrecipients of CDBG funds, including without limitation those regulations governing the CDBG program set forth in 24 CFR Part 570. Specifically, Contractor shall be responsible for complying with all applicable HUD uniform administrative requirements as set forth in 24 CFR 570.502 and the applicable program requirements in 24 CFR Subpart K. Contractor understands that it is their responsibility independent of the City to inform themselves of the contents of said regulations, and that this duty is a material condition of accepting this grant.

B. Contractor shall pay all fees and taxes as required by law.

C. At the option of the governing agency or the City Auditor, the Contractor shall provide payroll tax reports, sales tax reports, income tax reports, hazardous materials reports and other reports filed with federal, state and local government.

XII. PERFORMANCE RETENTION PROVISIONS

The Contractor may substitute securities for any monies withheld by the City to ensure performance under this Agreement. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a State or Federally chartered bank as the escrow agent, who shall pay such moneys to the Contractor upon satisfactory completion of the Agreement.

Securities eligible for investment under this section shall include those listed in Section 16430 of the Government Code attached hereto, or bank or savings and loan certificates of deposit.

The Contractor shall be the beneficial owner of any securities substituted for moneys withheld, and shall receive interest thereon.

Any escrow agreement entered into pursuant to this provision shall be approved by the City and shall contain, as a minimum, the following provisions:

1. The amount of securities to be deposited;
2. The terms and conditions of conversion to cash in the case of the default of the Contractor; and
3. The termination of the escrow upon completion of the Agreement.

Such securities, if deposited by the Contractor, shall be valued by the City, whose decision on valuation of the securities shall be final.

XIII. RECORDS

A. All original documents prepared by the Contractor in connection with the work to be performed under this Agreement shall be the property of the City.

B. Contractor's records shall be made available for review by the City prior to the release of funds. Contractor shall be responsible to maintain for not less than three (3) years after completion of this Agreement all records pertaining to this Agreement, including subcontracts and expenditures, and all other financial and property records.

C. Records must be kept accurate and up-to-date. Failure of Contractor to comply with this provision could result in termination of the Agreement or Contractor's repayment of funds previously awarded under this Agreement.

XIV. AUDITS AND INSPECTIONS

A. The Contractor shall at any time during normal business hours and as often as the City, State, HUD and the Comptroller General of the United States may deem necessary, make available to their representatives for examination all of its records with respect to all matters covered by this Agreement and shall permit these representatives to audit, examine and make excerpts or transcripts from such records, and to make audits of all documents and conditions relating to this Agreement. All costs are subject to the eligibility requirements of HUD. For the purposes of such Audit, Contractor waives its right to the confidentiality of all Financial Information and Contractor authorizes the City or its designee(s) to access, obtain and make copies of Financial Information directly from Contractor's banks, financial institutions or lenders, or from Contractor's financial consultants, accountants or bookkeepers.

D. Contractor shall permit and facilitate observation and inspection of the work and records at the Contractor's principal office and job site by the City, its employees and public authorities during reasonable business hours at a location within a twenty-five (25) mile radius of the City of Oakland for the period of this contact and for a period of four years after the close of each contract year.

E. Contractor agrees to comply with the City's audit requirements for nonprofit organizations:

1. For agencies receiving annually less than \$100,000 in cumulative funding from all sources (government or private), the Community and Economic Development Agency, in

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conjunction with the City Auditor's Office, will determine agencies to be selected for audit oversight of grant funded activities by the City Auditor's Office or a designated auditor.

2. For agencies receiving annually at least \$100,000 but less than \$200,000 in cumulative funding from all sources (government or private), a financial-compliance audit of the federally funded program must be secured from an independent Certified Public Accountant.

3. For agencies receiving annually \$200,000 or more in cumulative funding from all sources (government or private) a single audit covering all grant funded activities must be secured.

F. Contractor agrees to comply with the following general requirements for audits:

1. All audits must be conducted in accordance with Government Auditing Standards (2003 Revision) prescribed by the Comptroller General of the United States.

2. Contractor is encouraged, to the extent feasible, to procure its audits from small, local and minority and women-owned Oakland audit firms.

3. Funds to cover the cost of the CDBG portion of the audit may be set-aside in the Agreement budget.

4. If Contractor is not subject to the audit requirements but obtains its own audit, a copy must be provided for the City's files within sixty (60) days after the audit has been completed by the Contractor's auditor.

5. A management letter shall be requested from the Certified Public Accountants and be presented to the City Auditor and the oversight committee.

XV. RIGHT TO OFFSET

All claims or money are to become due from City shall be subject to deduction or offset by City from any monies due Contractor by reason of any claim or counterclaim arising out of this Agreement or any purchase order or any other transaction with Contractor. To the extent that there are amounts due to the City and to a state or federal funding agency, and the amount of the offset is insufficient to pay such amount in full, the amount of the offset shall be prorated between the City and such state or federal funding agency in proportion to the amounts due them.

XVI. CONFLICT OF INTEREST

A. HUD rule. Contractor warrants and represents, to the best of its present knowledge, and agrees to exercise due diligence to ensure, that no "covered person" (as defined below) associated with the City or with Contractor has or will obtain a financial interest or benefit from this Agreement, or has or will obtain an interest in any contract, subcontract or agreement with respect to this Agreement or the proceeds thereunder, either for themselves or those with whom they have immediate family or business ties, during that covered person's tenure with the City or Contractor, and for one year thereafter. A "covered person" for purposes of this paragraph includes any employee, agent, consultant, officer, or elected or appointed official of the City or Contractor who, with respect to activities under this Agreement assisted with CDBG funds: (a) exercises or have exercised any functions or responsibilities; or, (b) is in a position to participate in a decision-making process; or, (c) is in a position to gain inside information. For purposes of this paragraph, a "covered person" specifically includes without limitation any member of the Oakland City Council or any director of a Community Development District Board that has made recommendations on the funding for this Agreement, whether or not that Councilmember or director participated in the funding

decision. For purposes of this paragraph, "financial interest or benefit" includes, but is not limited to, salaries, consultant fees, commissions, gifts, sales income, rental payments, investment income, or other business income.

B. Other rules. Contractor warrants and represents, to the best of its present knowledge, that no public official of the City who has participated in making or in any way used his or her official position to influence the making of this Agreement has a financial interest in this Agreement or the program funded under this Agreement. For purposes of this paragraph, an official has a financial interest if the Agreement or the program would foreseeably have a material financial effect, at the time of the official's participation, on (a) the official, (b) the official's spouse or dependent children, (c) any for-profit business entity in which the official has a direct or indirect investment worth \$2,000 or more, (d) any real property in which the official has a direct or indirect interest worth \$2,000 or more, (e) any for-profit business entity in which the official is a director, officer, partner, trustee, employee or manager, or (f) any source of income if the income totaled more than \$500 the previous year or donors of gifts to the official (including nonprofit entities) if the value of the gift totaled more than \$360 the previous 12 months.

Also, Contractor warrants and represents, to the best of its present knowledge, that any public official of the City who is a noncompensated director or officer of Contractor has not participated in the making of this Agreement or in the decision to fund the program from Federal funds.

For purposes of this subsection, "public official" means any City Councilmember, elected or appointed official, member, officer, employee or consultant of the City, and specifically includes any director of a Community Development District Board that makes a recommendation on the funding for this Agreement.

C. Remedies and sanctions. In addition to the rights and remedies otherwise available to the City under this Agreement, Contractor understands and agrees that, if the City reasonably determines that Contractor has failed to make a good faith effort to avoid an improper conflict of interest situation or is responsible for the conflict situation, the City may (1) suspend payments under this Agreement, (2) terminate this Agreement, (3) require reimbursement by Contractor to the City or to HUD of any amounts disbursed under this Agreement, and/or (4) bar future Federal funding of Contractor by the City. In addition, the City may suspend payments or terminate this Agreement in the event HUD suspends or terminates the grant to the City under which this Agreement is made for conflict of interest reasons, or in the event that the City reasonably determines that an improper conflict of interest situation may arise from payments under this Agreement, whether or not Contractor is responsible for the conflict of interest situation.

D. Subcontracts. Contractor shall incorporate, or cause to be incorporated, in all contracts and subcontracts for work to be performed under this Agreement a provision prohibiting any conflict of interest described above in this section.

XVII. CAMPAIGN CONTRIBUTION LIMITS

This Agreement is subject to the City of Oakland Campaign Reform Act of Chapter 3.12 of the Oakland Municipal Code and its implementing regulations if it requires Council approval. The City of Oakland Campaign Reform Act prohibits contractors that are doing business or seeking to do business with the City of Oakland from making campaign contributions to Oakland candidates between commencement of negotiations and either 180 days after completion of, or termination of, contract negotiations.

If this Agreement requires Council approval, Contractor must sign and date an Acknowledgement of Campaign Contribution Limits Form.

XVIII. INSURANCE, BONDING AND HOLD HARMLESS REQUIREMENTS

A. Insurance

1. Contractor shall procure and submit, prior to the execution of this Agreement, documentation of general liability, including comprehensive bodily injury and property damage, automobile and product liability, and complete operation coverage, and liability insurance, specifically including contractual liability covering liability assumed hereunder, providing bodily injury limits of not less than \$1,000,000 for each person, and not less than \$1,000,000 for each accident or occurrence, and property damage liability limits of not less than \$1,000,000 for each accident or occurrence for claims which may arise from the operation of Contractor or any subcontractor in the performance of work herein provided for. In lieu of contractual liability for the City, said comprehensive bodily injury and property damage liability insurance policy or policies shall include as a named additional insured the City, its councilmembers, directors, officers, agents and employees. The premiums for such insurances shall not be paid by the City but may be paid received under this Agreement.

2. Each of the said policies of insurance shall contain a clause substantially in the following words:

“It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until thirty (30) days after receipt by the City Administrator of the City of Oakland of the written notice of such cancellation or reduction of coverage, as evidenced by receipt of a registered letter.”

B. Property Insurance

Contractor shall procure and submit prior to execution of this Agreement documentation of property insurance coverage in a minimum amount equal to the amount of compensation of this Agreement.

C. Bonds

Contractor shall be required to provide fidelity bond coverage, performance bond coverage and payment bond coverage each in an amount equal to one hundred percent (100%) of the amount of compensation of this Agreement for contracts over \$100,000. For contracts of \$100,000 or less, coverage for each of the bonds shall be in an amount equal to fifty percent (50%) of the amount of compensation. The bonds shall include the following endorsement:

“It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until thirty (30) days after receipt by the City Administrator of the City of Oakland of the written notice of such cancellation or reduction of coverage, as evidenced by receipt of a registered letter.”

D. Hold Harmless

Absent the City's sole negligence, Contractor agrees to hold harmless the City, its officers, agents, officials, and employees (collectively, “Indemnitees”) from any and all injuries (including death), damages, expenses, costs, attorney’s fees, liabilities, claims, actions, causes of action, judgments, settlements or compromises and liens arising from Contractor's or its

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subcontractors, employees, officers or agents work, or services performed in connection with this Agreement. Contractor acknowledges and agrees that it has an immediate and independent obligation to defend Indemnitees from any claim or action which potentially falls within this indemnification provision, which obligation shall arise at the time such claim is tendered to Contractor by City and continues at all times thereafter.

E. Workers' Compensation

Contractor shall obtain Workers' Compensation and Employer's Liability Insurance to cover its employees as required by the Labor Code of the State of California. The premiums shall not be paid by City but may be paid with funds received under this Agreement.

XIX. POLITICAL ACTIVITY PROHIBITED

None of the funds, materials, property or services contributed by the City or Contractor under this Agreement shall be used for any political purposes, sponsoring or conducting candidate's meetings, nor for publicity or propaganda purposes designed to support or defeat any initiative or legislation pending before Federal, State or Local government.

XX. RELIGIOUS ACTIVITY PROHIBITED

There shall be no religious worship, instruction, or proselytization as part of, or in connection with the performance of this Agreement.

XXI. PUBLICITY

Any publicity generated by Contractor for the project funded pursuant to this Agreement, during the term of this Agreement or for one year thereafter, will make reference to the contribution of the City of Oakland's Community and Economic Development Agency in making the project possible. The words "City of Oakland's Community and Economic Development Agency" will be explicitly stated in any and all pieces of publicity, including but not limited to flyers, press releases, posters, brochures, public service announcements, interviews, and newspaper articles.

The City's Community and Economic Development Agency staff will be available whenever possible at the request of Contractor to assist Contractor in generating publicity for the project funded pursuant to this Agreement. Contractor further agrees to cooperate with authorized City officials and staff in any City-generated publicity or promotional activities undertaken with respect to this project.

XXII. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

By signing this Agreement, Contractor certifies to the best of its knowledge and belief that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in

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connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; or violation of Federal or State antitrust statutes or commissions of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in the subsection (2) above; and

4. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State, or local) terminated for cause or default.

If Contractor is unable to certify as to any of the above statements, Contractor has attached a written explanation to this Agreement.

XXIII. ANTI-LOBBYING CERTIFICATION

By signing this Agreement, Contractor certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid by or on behalf of Contractor to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of this Agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of this Agreement, Contractor will complete and submit the appropriate HUD lobbying disclosure form.

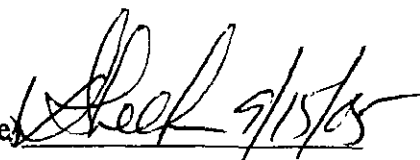
XXIV. BUSINESS TAX CERTIFICATE

The Contractor shall obtain and provide proof of a valid City business tax certificate. Said certificate must remain valid during the duration of this Agreement.

XXV. SEVERABILITY/PARTIAL INVALIDITY

If any term or provision of this Agreement, or the application of any term or provision of this agreement to a particular situation, shall be finally found to be void, invalid, illegal or unenforceable by a court of competent jurisdiction, then notwithstanding such determination, such term or provision shall remain in force and effect to the extent allowed by such ruling and all other terms and provisions of this Agreement or the application of this Agreement to other situation shall remain in full force and effect.

Notwithstanding the foregoing, if any material term or provision of this Agreement or the application of such material term or condition to a particular situation is finally found to be void, invalid, illegal or unenforceable by a court of competent jurisdiction, then the Parties hereto agree to work in good faith and fully cooperate with each other to amend this Agreement to carry out its intent.

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XXVI. PROGRAM MONITORING AND EVALUATION

A. Contractor shall be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of this Agreement and the effective and efficient achievement of the Program Objectives.

B. The City, through its Community and Economic Development Agency, shall have ultimate responsibility for overall project monitoring and evaluation to assist Contractor in complying with the scope and contents of this Agreement, and to provide management information which will assist the City's policy and decision-makers and managers.

C. Contractor shall provide such records and reports as may be required by the City.

XXVII. PREVAILING WAGES

Contractor shall, in compliance with 40 U.S. C. §276(a), otherwise known as the Davis Bacon Act, and implementing regulations, compensate all laborers and mechanics employed by Contractor in an amount no less than the wage rate determined by the U.S. Secretary of Labor to be prevailing on similar construction in the locality. Contractor shall further comply with all other applicable provisions of said legislation and implementing regulations. Contractor shall insert similar provisions in all subcontracts for work covered by this Agreement.

XXVIII. EMPLOYMENT AND CONTRACTING

A. Nondiscrimination. Contractor shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual preference, national origin, or disability in any phase of employment during construction. Contractor agrees to post in conspicuous places available to all employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

B. HUD Outreach Requirements. Contractor shall take necessary affirmative steps to ensure the inclusion in activities funded by this Agreement, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services. Such affirmative steps include (1) placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources; (3) dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises; (4) establishing delivery schedules, when the requirement permits, which encourage participation by small and minority businesses and women's business enterprises; (5) using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and (6) requiring any subcontractors to take the above affirmative steps.

C. Labor Department Requirements. Contractor shall comply with the requirements of Executive Order 11246, as amended, and the Department of Labor regulations issued pursuant thereto codified at 41 CFR chapter 60. Said requirements are attached as Exhibit D and are incorporated herein by reference. Said regulations provide that no person shall be discriminated

against on the basis of race, color, religion, sex, or national origin in all phases of employment during construction. As specified in Executive Order 11246 and the implementing regulations, contractors and subcontractors holding construction contracts in excess of \$10,000 shall take affirmative action to ensure fair treatment in employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training and apprenticeship. Contractor shall comply with goals and timetables established by the Secretary of Labor pursuant to these regulations with respect to the participation of women and minorities in the construction workforce.

D. HUD Section 3 Requirements. Contractor shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 USC §1701u). In connection with construction work funded under this Agreement, Contractor shall, to the greatest extent feasible, give opportunities for training and employment to low and very-low income persons residing within the City of Oakland, and, where feasible, shall give priority to low and very-low income persons residing within the neighborhood of the project. Contractor shall, to the greatest extent feasible, award contracts for work performed in connection with this Agreement to business concerns that provided economic opportunities for low and very low-income persons residing within the City of Oakland, and, where feasible, shall give priority to business concerns which provide economic opportunities for low and very-low income persons residing within the neighborhood of the project.

E. City Local Employment Requirements. The City has established a goal that fifty percent (50%) of the work hours at the construction site be furnished by Oakland residents on a craft-by-craft basis, and that fifty percent (50%) of all new construction hires be Oakland residents. Contractor shall abide by the provisions of the City's Local Employment Program, available from the Administering Department, and shall achieve the goals therein for this project or document a good faith effort to meet such goals. Contractor understands that these requirements apply to the entire work of project construction whether or not the City is funding the construction.

F. City Local/Small Local Business Enterprise Requirements. The City has established a goal that fifty percent (50%) of construction contract amounts shall go to local business enterprises, that thirty-five percent (35%) of construction contract amounts shall go to small local business enterprises, and that fifty percent (50%) of the total trucking dollars be performed by local truckers. Contractor shall abide by the provisions of the City's Local/Small Local Business Enterprise Program, available from the Administering Department, and shall aggressively make every effort to obtain small local business enterprise participation in the project. Contractor understands that these requirements apply to the entire work of project construction whether or not the City is funding the construction.

G. City Professional Service Requirements. The City has established a goal that fifty percent (50%) of the amount that goes to professional services under this Agreement shall go to local business enterprises, and that thirty-five percent (35%) of the amount that goes to professional services shall go to small local business enterprises. Contractor shall abide by the provisions of the City's Local/Small Local Business Enterprise Professional Service Program, available from the Administering Department, and shall aggressively make every effort to obtain small local business enterprise participation in the professional service work performed on the project. These requirements shall apply only to those professional service contracts funded by the City under this Agreement, and only if the total City funding of professional services on the project exceeds \$50,000.

H. Reporting. Contractor shall submit information on forms supplied by the City concerning the composition of Contractor, its subcontractors, suppliers, professional service providers, and workers, as reasonably requested by the City.

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I. Subcontracts. Contractor shall insert similar provisions in all subcontracts for work covered by this Agreement.

XXIX. BARRIERS TO THE DISABLED

The facilities to be rehabilitated pursuant to this Agreement shall comply with all applicable Federal, State and local laws with respect to access for disabled persons.

XXX. ATTORNEYS FEES

In the event it becomes necessary for either party to bring a legal suit to enforce any of the provisions of this Agreement, the parties agree that a court of competent jurisdiction may determine and fix a reasonable attorney's fee to be paid by the successful litigant.

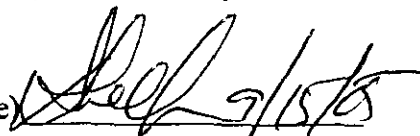
XXXI. DRUG FREE WORK PLACE

Contractor shall provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be take against employees for violation of such prohibition;
2. Establishing a continuing drug-free awareness program to employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The grantee's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling rehabilitation and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Ensuring that each employee receives a copy of the published statement referenced at paragraph 1.
4. Ensuring that all employees abide by the policy references at paragraph 1 and that all employees are required to notify Contractor in writing of his/her conviction for a violation of a criminal drug statue.
5. Notifying the City in writing, within ten calendar days after receiving notice from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to the Community and Economic Development Agency.
6. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4 and 5.

XXXII. LIQUIDATED DAMAGES FOR DELAY

Since it is impracticable or extremely difficult to assess accurately the damage which may be caused by the delay of the Contractor in completing fully the work required by this Agreement, and since actual damages may be great to the City as a result of such delay, the parties agree upon a sum of 1/4 of one percent of the total Agreement amount per day (excluding weekends and legal holidays) for each day in which full and satisfactory completion is delayed beyond the completion date

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stipulated in this Agreement, or the completion date as modified in any approved Amendment to this Agreement. Liquidated damages shall run until the work per this Agreement is completed satisfactorily and in full by the Contractor, its assignee, or subsequent Contractor on the job in the event of termination under Section VII above.

The aggregated amount of liquidated damages shall be due and owing from the Contractor and its sureties to the City and shall stand as the sole and exclusive remedy of the City for monetary damages for the delays of the Contractor. Nothing in this section is intended to affect any other claims or rights of action that the City may have against the Contractor for breach of this Agreement other than monetary damages caused by delay in completion of this Agreement. The City may elect to withhold from the final payment any amount of liquidated damages determined to be due the City as a result of the delay or delays caused by the Contractor in accordance with the Agreement in this section. Failure on the part of the City to withhold any such liquidated damages shall not be construed as a waiver of its rights under the terms of this Agreement.

XXXIII. USE OF UTILITIES

The Contractor must pay for all utility costs associated with the scope of work under this Agreement.

XXXIV. ACCESS TO WORK

Contractor shall permit and facilitate observation and inspection of the work at the job site by City, its employees, and public authorities during reasonable business hours.

XXXV. UNAVOIDABLE DELAYS

The time during which Contractor is unavoidably delayed in said work by the acts of negligence of the City, or by the acts of God, or other events or happenings which the Contractor could not have reasonably foreseen or provided for, or by unusually stormy or unusually inclement weather which delays the work, or by strikes or like trouble among laborers which delays said work, and which are not caused by, or the continuance of which is not due to any unreasonable acts or conduct on the part of the Contractor shall be added to the time for completion aforesaid. However, it is stipulated and agreed that the delay of subcontractors in completing their portion of the work is not an "unavoidable delay" unless the delay of said subcontractor is due to the conditions hereinabove specifically set forth. Time extensions shall be requested in writing within seven (7) days from date of occurrence of delay.

Unusually stormy or inclement weather which delays the work shall be defined as "any number of rainy days beyond the average number of rainy days for the month ("normal rainfall") in which precipitation measured more than one one-hundredth (0.01) of an inch as determined by the U.S. Weather Bureau at the Oakland Airport." Normal rainfall for Oakland is:

January	11 days	July	Less than 1 day
February	10 days	August	1 day
March	9 days	September	1 day
April	6 days	October	4 days
May	3 days	November	7 days

June1 day

December 10 days

XXXVI. MATERIALS

A. **Manufacturer's Specifications.** All work materials must be applied in accordance with the manufacturers latest instructions. Any variation in these specifications and the manufacturer's instructions must be called to the attention of the Administering Office

B. **New Materials.** All material installed shall be new (unless otherwise specified). All work is to be a finished product unless specified to the contrary.

C. **Substitutions and Samples.** Substitutions of materials and products specified may occur, provided the items substituted are the same in quality and utility to those specified. The burden of proving that materials and products are of the same quality and utility to those specified shall be on the Contractor. Any savings involved in the substitutions shall be passed on to the City. All substitutions must be approved in writing by the City, which shall first receive samples from the Contractor of items proposed to be substituted.

D. **Replacement.** Materials and/or workmanship failing to meet these requirements shall be replaced at the Contractor's expense. Acceptance of materials and/or workmanship by an authorized representative of the City prior to completion of the contract does not relieve the Contractor from the obligation to produce materials and/or workmanship in first class condition at the completion of the contract.

XXXVII. ADDITIONS OR CHANGES IN WORK

Any changes in the scope of work required to be performed under this Agreement, whether by means of additions, changes or deletions to the previously agreed upon job specifications, must first be authorized by the written approval of the Administering Department. Approved additions, changes or deletions shall not relieve or release the Contractor from the provisions of this Agreement nor from any guarantee made pursuant to this Agreement's provisions. The Contractor and his surety or sureties shall not be relieved or released from any surety or guarantee bond previously entered into.

XXXVIII. CORRECTION OF WORK

Contractor shall re-execute any work that fails to conform to the requirements of the Agreement and which appears during the progress of the work. Contractor further warrants the work for one (1) year from the date of completion of the Agreement. Any defects due to faulty materials or workmanship which appear within the period shall be promptly remedied by the Contractor upon notice of the subsequent owner or the City. Failure by the Contractor to make a good faith effort to correct defects within ten (10.) days after being so notified shall be construed as authorization for the subsequent owner or the City to remedy the defects by whatever reasonable means necessary, costs of remedy to be borne in full by Contractor. "Work" as defined in this Section, shall include the work done by subcontractors as well as work done by Contractor.

XXXIX. LEAD-BASED PAINT

A. Contractor and subcontractors shall not use lead-based paint in the implementation

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of this Agreement.

B. Contractor agrees to comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S. C. Sections 4821, et seq) and any HUD regulations issued pursuant thereto, as such regulations exist on the date Contractor executes this Agreement.

XL. PERMITS, CODES, LICENSES

A. The Contractor shall obtain, and pay for, and place on file with the Administering Office, copies of all permits and licenses necessary for the completion and execution of the work. Strict compliance with Municipal Codes and Ordinances shall be observed in all phases of the work. The Contractor shall perform all work in conformance with applicable local codes and ordinances whether or not covered by the Specifications and Drawings for the work.

B. Codes in Force. The work under this Agreement is subject to:

1. City of Oakland Building Code.
2. The Life Safety Code, 1994.
3. The International Energy Code, 2000.
4. HUD Lead Based Paint Guideline, 1999.
5. OSHA Construction Standards, 1999.

XLI. CLEANING UP AND CLEARANCE

A. Daily Clean Up. The Contractor shall keep the premises clean and orderly during the course of the work and all debris shall be removed on a continuous basis and not be allowed to accumulate. Materials and equipment that have been removed as part of the work shall belong to the Contractor.


B. Final Cleaning. All new surfaces shall be washed and polished if recommended by the manufacturer or construction standard applicable to the work. Remove all tags, stickers or other markings leaving the item of work ready for use.

C. Clearance Testing. All exposed interior surfaces shall be cleaned using a HEPA vacuum and wet wipes to reduce the lead content of the surfaces in accordance with standards established the California State Department of Health.

D. Recleaning. If a class of components, for example, a floor, fails the clearance dust standard, then all floors throughout the facility shall be re-cleaned and re-tested until the class of components passes the clearance threshold. The Contractor agrees to provide these services at not additional cost to the City and to pay for any additional inspection and lab fees associated with multiple failures to attain the clearance threshold.

XLII. EQUAL BENEFITS

This Agreement is subject to the Equal Benefits Ordinance, Municipal Code, Chapter 2.32 requiring contractors on city contracts of \$25,000 or more to provide employee benefits to their employees with domestic partners equivalent to those provided to their employees with spouses. The ordinance covers all benefits that an employer offers its employees and their spouses, which include but are not limited to, health benefits, bereavement leave, family leave, retirement benefits, travel and other benefits. Contractor and vendors that do not have employees or do not provide employees with

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spousal benefits are not required to change their benefits policies. All Contractors shall execute an "Equal Benefits-Declaration of Nondiscrimination" which shall be incorporated herein and attached as Schedule N-1 to this Agreement.

XLIII. SUBCONTRACTS

A. Any contract funded under this Agreement shall be submitted to the Administering Department for review and approval prior to its execution.

B. In the event Contractor is a private non-profit or neighborhood-based non-profit organization, or a local development or small business investment corporation, Contractor is required to comply with the procurement procedures of 24 CFR Part 85.36 and Office of Management & Budget (OMB) Circular A-102, Attachment 0, and A-122 (incorporated herein by reference) for the procurement of supplies and services in connection with activities funded under this Agreement.

C. Any contract funded under this Agreement shall be subject to the terms and conditions of this Agreement.

D. Contractor shall insert provisions similar to XV to XLI above in all subcontracts for work covered by this Agreement.



**EOCP LOAN GUARANTY
AMORTIZATION SCHEDULE**

2,400,000	6.50%						
Month	Payment	Interest	Principal reduction	Guarantee Reduction	Guarantee Level	New Principal	
0	\$0.00	\$0	\$0	\$0	\$1,800,000	2,400,000	
1	\$20,906.58	\$13,000	\$7,907	\$5,930	\$1,794,070	2,392,093	
2	\$20,906.58	\$12,957	\$7,949	\$5,962	\$1,788,108	2,384,144	
3	\$20,906.58	\$12,914	\$7,992	\$5,994	\$1,782,114	2,376,152	
4	\$20,906.58	\$12,871	\$8,036	\$6,027	\$1,776,087	2,368,116	
5	\$20,906.58	\$12,827	\$8,079	\$6,059	\$1,770,027	2,360,037	
6	\$20,906.58	\$12,784	\$8,123	\$6,092	\$1,763,935	2,351,913	
7	\$20,906.58	\$12,740	\$8,167	\$6,125	\$1,757,810	2,343,746	
8	\$20,906.58	\$12,695	\$8,211	\$6,158	\$1,751,651	2,335,535	
9	\$20,906.58	\$12,651	\$8,256	\$6,192	\$1,745,460	2,327,279	
10	\$20,906.58	\$12,606	\$8,300	\$6,225	\$1,739,234	2,318,979	
11	\$20,906.58	\$12,561	\$8,345	\$6,259	\$1,732,975	2,310,633	
12	\$20,906.58	\$12,516	\$8,391	\$6,293	\$1,726,682	2,302,243	\$73,318 Reduction in 1st year
13	\$20,906.58	\$12,470	\$8,436	\$6,327	\$1,720,355	2,293,807	
14	\$20,906.58	\$12,425	\$8,482	\$6,361	\$1,713,994	2,285,325	
15	\$20,906.58	\$12,379	\$8,528	\$6,396	\$1,707,598	2,276,797	
16	\$20,906.58	\$12,333	\$8,574	\$6,430	\$1,701,167	2,268,223	
17	\$20,906.58	\$12,288	\$8,620	\$6,465	\$1,694,702	2,259,603	
18	\$20,906.58	\$12,240	\$8,667	\$6,500	\$1,688,202	2,250,936	
19	\$20,906.58	\$12,193	\$8,714	\$6,536	\$1,681,666	2,242,222	
20	\$20,906.58	\$12,145	\$8,761	\$6,571	\$1,675,095	2,233,461	
21	\$20,906.58	\$12,098	\$8,809	\$6,606	\$1,668,489	2,224,652	
22	\$20,906.58	\$12,050	\$8,856	\$6,642	\$1,661,847	2,215,796	
23	\$20,906.58	\$12,002	\$8,904	\$6,678	\$1,655,168	2,206,891	
24	\$20,906.58	\$11,954	\$8,953	\$6,714	\$1,648,454	2,197,939	\$78,228 Reduction in 2nd year
25	\$20,906.58	\$11,906	\$9,001	\$6,751	\$1,641,703	2,188,938	
26	\$20,906.58	\$11,857	\$9,050	\$6,787	\$1,634,916	2,179,888	
27	\$20,906.58	\$11,808	\$9,099	\$6,824	\$1,628,092	2,170,789	
28	\$20,906.58	\$11,758	\$9,148	\$6,861	\$1,621,231	2,161,641	
29	\$20,906.58	\$11,709	\$9,198	\$6,898	\$1,614,332	2,152,443	
30	\$20,906.58	\$11,659	\$9,248	\$6,936	\$1,607,397	2,143,196	
31	\$20,906.58	\$11,609	\$9,298	\$6,973	\$1,600,423	2,133,898	
32	\$20,906.58	\$11,559	\$9,348	\$7,011	\$1,593,412	2,124,550	
33	\$20,906.58	\$11,508	\$9,399	\$7,049	\$1,586,364	2,115,151	
34	\$20,906.58	\$11,457	\$9,450	\$7,087	\$1,579,276	2,105,702	
35	\$20,906.58	\$11,406	\$9,501	\$7,126	\$1,572,151	2,096,201	
36	\$20,906.58	\$11,354	\$9,552	\$7,164	\$1,564,987	2,086,649	\$83,467 Reduction in 3rd year
37	\$20,906.58	\$11,303	\$9,604	\$7,203	\$1,557,784	2,077,045	
38	\$20,906.58	\$11,251	\$9,656	\$7,242	\$1,550,542	2,067,389	
39	\$20,906.58	\$11,198	\$9,708	\$7,281	\$1,543,261	2,057,681	
40	\$20,906.58	\$11,146	\$9,761	\$7,321	\$1,535,940	2,047,920	
41	\$20,906.58	\$11,093	\$9,814	\$7,360	\$1,528,580	2,038,107	
42	\$20,906.58	\$11,040	\$9,867	\$7,400	\$1,521,180	2,028,240	
43	\$20,906.58	\$10,986	\$9,920	\$7,440	\$1,513,740	2,018,319	
44	\$20,906.58	\$10,933	\$9,974	\$7,481	\$1,506,259	2,008,345	
45	\$20,906.58	\$10,879	\$10,028	\$7,521	\$1,498,738	1,998,317	
46	\$20,906.58	\$10,824	\$10,082	\$7,562	\$1,491,176	1,988,235	
47	\$20,906.58	\$10,770	\$10,137	\$7,603	\$1,483,574	1,978,098	
48	\$20,906.58	\$10,715	\$10,192	\$7,644	\$1,475,930	1,967,906	\$89,057 reduction in 4th year
49	\$20,906.58	\$10,659	\$10,247	\$7,685	\$1,468,244	1,957,659	
50	\$20,906.58	\$10,604	\$10,303	\$7,727	\$1,460,517	1,947,356	
51	\$20,906.58	\$10,548	\$10,358	\$7,769	\$1,452,749	1,936,998	
52	\$20,906.58	\$10,492	\$10,415	\$7,811	\$1,444,938	1,926,584	
53	\$20,906.58	\$10,436	\$10,471	\$7,853	\$1,437,085	1,916,113	
54	\$20,906.58	\$10,379	\$10,528	\$7,896	\$1,429,189	1,905,585	
55	\$20,906.58	\$10,322	\$10,585	\$7,938	\$1,421,250	1,895,000	
56	\$20,906.58	\$10,265	\$10,642	\$7,981	\$1,413,269	1,884,358	

**EOCP LOAN GUARANTY
AMORTIZATION SCHEDULE**

57	\$20,906.58	\$10,207	\$10,700	\$8,025	\$1,405,244	1,873,659	
58	\$20,906.58	\$10,149	\$10,758	\$8,068	\$1,397,176	1,862,901	
59	\$20,906.58	\$10,091	\$10,816	\$8,112	\$1,389,064	1,852,085	
60	\$20,906.58	\$10,032	\$10,874	\$8,156	\$1,380,908	1,841,211	\$95,021 reduction in 5th year
61	\$20,906.58	\$9,973	\$10,933	\$8,200	\$1,372,708	1,830,277	
62	\$20,906.58	\$9,914	\$10,993	\$8,244	\$1,364,464	1,819,285	
63	\$20,906.58	\$9,854	\$11,052	\$8,289	\$1,356,175	1,808,233	
64	\$20,906.58	\$9,795	\$11,112	\$8,334	\$1,347,841	1,797,121	
65	\$20,906.58	\$9,734	\$11,172	\$8,379	\$1,339,461	1,785,949	
66	\$20,906.58	\$9,674	\$11,233	\$8,425	\$1,331,037	1,774,716	
67	\$20,906.58	\$9,613	\$11,294	\$8,470	\$1,322,567	1,763,422	
68	\$20,906.58	\$9,552	\$11,355	\$8,516	\$1,314,051	1,752,068	
69	\$20,906.58	\$9,490	\$11,416	\$8,562	\$1,305,489	1,740,652	
70	\$20,906.58	\$9,429	\$11,478	\$8,609	\$1,296,880	1,729,173	
71	\$20,906.58	\$9,366	\$11,540	\$8,655	\$1,288,225	1,717,633	
72	\$20,906.58	\$9,304	\$11,603	\$8,702	\$1,279,523	1,706,031	\$101,385 Reduction in 6th year
73	\$20,906.58	\$9,241	\$11,666	\$8,749	\$1,270,774	1,694,365	
74	\$20,906.58	\$9,178	\$11,729	\$8,797	\$1,261,977	1,682,636	
75	\$20,906.58	\$9,114	\$11,792	\$8,844	\$1,253,133	1,670,844	
76	\$20,906.58	\$9,050	\$11,856	\$8,892	\$1,244,241	1,658,988	
77	\$20,906.58	\$8,986	\$11,920	\$8,940	\$1,235,300	1,647,067	
78	\$20,906.58	\$8,922	\$11,985	\$8,989	\$1,226,312	1,635,082	
79	\$20,906.58	\$8,857	\$12,050	\$9,037	\$1,217,274	1,623,032	
80	\$20,906.58	\$8,791	\$12,115	\$9,086	\$1,208,188	1,610,917	
81	\$20,906.58	\$8,726	\$12,181	\$9,136	\$1,199,052	1,598,737	
82	\$20,906.58	\$8,660	\$12,247	\$9,185	\$1,189,867	1,586,490	
83	\$20,906.58	\$8,593	\$12,313	\$9,235	\$1,180,633	1,574,177	
84	\$20,906.58	\$8,527	\$12,380	\$9,285	\$1,171,348	1,561,797	\$108,175 Reduction in 7th year
85	\$20,906.58	\$8,460	\$12,447	\$9,335	\$1,162,013	1,549,350	
86	\$20,906.58	\$8,392	\$12,514	\$9,386	\$1,152,627	1,536,836	
87	\$20,906.58	\$8,325	\$12,582	\$9,437	\$1,143,190	1,524,254	
88	\$20,906.58	\$8,256	\$12,650	\$9,488	\$1,133,703	1,511,604	
89	\$20,906.58	\$8,188	\$12,719	\$9,539	\$1,124,164	1,498,885	
90	\$20,906.58	\$8,119	\$12,788	\$9,591	\$1,114,573	1,486,097	
91	\$20,906.58	\$8,050	\$12,857	\$9,643	\$1,104,930	1,473,240	
92	\$20,906.58	\$7,980	\$12,927	\$9,695	\$1,095,235	1,460,314	
93	\$20,906.58	\$7,910	\$12,997	\$9,747	\$1,085,488	1,447,317	
94	\$20,906.58	\$7,840	\$13,067	\$9,800	\$1,075,688	1,434,250	
95	\$20,906.58	\$7,769	\$13,138	\$9,853	\$1,065,834	1,421,113	
96	\$20,906.58	\$7,698	\$13,209	\$9,907	\$1,055,928	1,407,904	\$115,420 reduction in 8th year
97	\$20,906.58	\$7,626	\$13,280	\$9,960	\$1,045,967	1,394,623	
98	\$20,906.58	\$7,554	\$13,352	\$10,014	\$1,035,953	1,381,271	
99	\$20,906.58	\$7,482	\$13,425	\$10,069	\$1,025,885	1,367,846	
100	\$20,906.58	\$7,409	\$13,497	\$10,123	\$1,015,762	1,354,349	
101	\$20,906.58	\$7,336	\$13,571	\$10,178	\$1,005,584	1,340,778	
102	\$20,906.58	\$7,263	\$13,644	\$10,233	\$995,351	1,327,134	
103	\$20,906.58	\$7,189	\$13,718	\$10,288	\$985,062	1,313,416	
104	\$20,906.58	\$7,114	\$13,792	\$10,344	\$974,718	1,299,624	
105	\$20,906.58	\$7,040	\$13,867	\$10,400	\$964,318	1,285,757	
106	\$20,906.58	\$6,965	\$13,942	\$10,457	\$953,861	1,271,815	
107	\$20,906.58	\$6,889	\$14,018	\$10,513	\$943,348	1,257,798	
108	\$20,906.58	\$6,813	\$14,094	\$10,570	\$932,778	1,243,704	\$123,150 reduction in 9th year
109	\$20,906.58	\$6,737	\$14,170	\$10,627	\$922,151	1,229,534	
110	\$20,906.58	\$6,660	\$14,247	\$10,685	\$911,466	1,215,288	
111	\$20,906.58	\$6,583	\$14,324	\$10,743	\$900,723	1,200,964	
112	\$20,906.58	\$6,505	\$14,401	\$10,801	\$889,922	1,186,562	
113	\$20,906.58	\$6,427	\$14,479	\$10,860	\$879,062	1,172,083	
114	\$20,906.58	\$6,349	\$14,558	\$10,918	\$868,144	1,157,525	
115	\$20,906.58	\$6,270	\$14,637	\$10,977	\$857,166	1,142,889	

**EOCP LOAN GUARANTY
AMORTIZATION SCHEDULE**

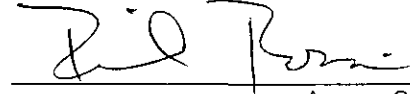
116	\$20,906.58	\$6,191	\$14,716	\$11,037	\$846,130	1,128,173	
117	\$20,906.58	\$6,111	\$14,796	\$11,097	\$835,033	1,113,377	
118	\$20,906.58	\$6,031	\$14,876	\$11,157	\$823,876	1,098,501	
119	\$20,906.58	\$5,950	\$14,956	\$11,217	\$812,659	1,083,545	
120	\$20,906.58	\$5,869	\$15,037	\$11,278	\$801,381	1,068,508	\$131,397 reduction in 10th year
121	\$20,906.58	\$5,788	\$15,119	\$11,339	\$790,042	1,053,389	
122	\$20,906.58	\$5,706	\$15,201	\$11,401	\$778,641	1,038,188	
123	\$20,906.58	\$5,624	\$15,283	\$11,462	\$767,179	1,022,905	
124	\$20,906.58	\$5,541	\$15,366	\$11,524	\$755,654	1,007,539	
125	\$20,906.58	\$5,458	\$15,449	\$11,587	\$744,068	992,090	
126	\$20,906.58	\$5,374	\$15,533	\$11,650	\$732,418	976,557	
127	\$20,906.58	\$5,290	\$15,617	\$11,713	\$720,705	960,940	
128	\$20,906.58	\$5,205	\$15,701	\$11,776	\$708,929	945,239	
129	\$20,906.58	\$5,120	\$15,787	\$11,840	\$697,089	929,452	
130	\$20,906.58	\$5,035	\$15,872	\$11,904	\$685,185	913,580	
131	\$20,906.58	\$4,949	\$15,958	\$11,969	\$673,217	897,622	
132	\$20,906.58	\$4,862	\$16,044	\$12,033	\$661,183	881,578	\$140,197 reduction in 11th year
133	\$20,906.58	\$4,775	\$16,131	\$12,099	\$649,085	865,446	
134	\$20,906.58	\$4,688	\$16,219	\$12,164	\$636,921	849,228	
135	\$20,906.58	\$4,600	\$16,307	\$12,230	\$624,691	832,921	
136	\$20,906.58	\$4,512	\$16,395	\$12,296	\$612,395	816,526	
137	\$20,906.58	\$4,423	\$16,484	\$12,363	\$600,032	800,042	
138	\$20,906.58	\$4,334	\$16,573	\$12,430	\$587,602	783,469	
139	\$20,906.58	\$4,244	\$16,663	\$12,497	\$575,105	766,807	
140	\$20,906.58	\$4,154	\$16,753	\$12,565	\$562,540	750,054	
141	\$20,906.58	\$4,063	\$16,844	\$12,633	\$549,907	733,210	
142	\$20,906.58	\$3,972	\$16,935	\$12,701	\$537,206	716,275	
143	\$20,906.58	\$3,880	\$17,027	\$12,770	\$524,436	699,248	
144	\$20,906.58	\$3,788	\$17,119	\$12,839	\$511,597	682,129	\$149,587 reduction in 12th year
145	\$20,906.58	\$3,695	\$17,212	\$12,909	\$498,688	664,917	
146	\$20,906.58	\$3,602	\$17,305	\$12,979	\$485,709	647,612	
147	\$20,906.58	\$3,508	\$17,399	\$13,049	\$472,660	630,214	
148	\$20,906.58	\$3,414	\$17,493	\$13,120	\$459,541	612,721	
149	\$20,906.58	\$3,319	\$17,588	\$13,191	\$446,350	595,133	
150	\$20,906.58	\$3,224	\$17,683	\$13,262	\$433,088	577,450	
151	\$20,906.58	\$3,128	\$17,779	\$13,334	\$419,754	559,672	
152	\$20,906.58	\$3,032	\$17,875	\$13,406	\$406,347	541,796	
153	\$20,906.58	\$2,935	\$17,972	\$13,479	\$392,868	523,825	
154	\$20,906.58	\$2,837	\$18,069	\$13,552	\$379,317	505,755	
155	\$20,906.58	\$2,740	\$18,167	\$13,625	\$365,691	487,588	\$158,745 reduction in 13th year
156	\$20,906.58	\$2,641	\$18,265	\$13,699	\$351,992	469,323	
157	\$20,906.58	\$2,542	\$18,364	\$13,773	\$338,219	450,959	
158	\$20,906.58	\$2,443	\$18,464	\$13,848	\$324,371	432,495	
159	\$20,906.58	\$2,343	\$18,564	\$13,923	\$310,448	413,931	
160	\$20,906.58	\$2,242	\$18,664	\$13,998	\$296,450	395,266	
161	\$20,906.58	\$2,141	\$18,766	\$14,074	\$282,376	376,501	
162	\$20,906.58	\$2,039	\$18,867	\$14,150	\$268,225	357,634	
163	\$20,906.58	\$1,937	\$18,969	\$14,227	\$253,998	338,664	
164	\$20,906.58	\$1,834	\$19,072	\$14,304	\$239,694	319,592	
165	\$20,906.58	\$1,731	\$19,175	\$14,382	\$225,312	300,417	
166	\$20,906.58	\$1,627	\$19,279	\$14,459	\$210,853	281,137	
167	\$20,906.58	\$1,523	\$19,384	\$14,538	\$196,315	261,753	\$169,376 reduction in 14th year
168	\$20,906.58	\$1,418	\$19,489	\$14,617	\$181,699	242,265	
169	\$20,906.58	\$1,312	\$19,594	\$14,696	\$167,003	222,670	
170	\$20,906.58	\$1,206	\$19,700	\$14,775	\$152,227	202,970	
171	\$20,906.58	\$1,099	\$19,807	\$14,855	\$137,372	183,163	
172	\$20,906.58	\$992	\$19,914	\$14,936	\$122,436	163,248	
173	\$20,906.58	\$884	\$20,022	\$15,017	\$107,420	143,226	
174	\$20,906.58	\$776	\$20,131	\$15,098	\$92,321	123,095	

**EOCP LOAN GUARANTY
AMORTIZATION SCHEDULE**

175	\$20,906.58	\$667	\$20,240	\$15,180	\$77,142	102,855		
176	\$20,906.58	\$557	\$20,349	\$15,262	\$61,880	82,506		
177	\$20,906.58	\$447	\$20,460	\$15,345	\$46,535	62,046		
178	\$20,906.58	\$336	\$20,570	\$15,428	\$31,107	41,476		
179	\$20,906.58	\$225	\$20,682	\$15,511	\$15,595	20,794		
180	\$20,906.58	\$113	\$20,794	\$15,595	\$0	0	\$181,689	reduction in 15th year
							\$119,882	Average reduction

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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

RESOLUTION No. _____ C.M.S.

**A RESOLUTION AUTHORIZING A LOAN GUARANTY FOR 15 YEARS IN THE
AMOUNT OF \$1.8 MILLION PLUS INTEREST TO EAST OAKLAND COMMUNITY
PROJECT FOR DEVELOPMENT OF A NEW HOUSING FACILITY FOR THE
HOMELESS AT 7515 INTERNATIONAL BOULEVARD**

WHEREAS, the East Oakland Community Project (EOCP) has proposed a new 125 bed housing facility for the homeless at 7515 International Boulevard; and

WHEREAS, the new proposed facility has a total development cost of \$10,300,000; and

WHEREAS, EOCP desires to borrow \$2.4 million from Washington Mutual to help close the funding gap; and

WHEREAS, the private loan from Washington Mutual is contingent upon EOCP offering security in addition to the real property valued at \$600,000; and

WHEREAS, EOCP desires the Redevelopment Agency to guarantee a 15-year debt service for the \$1.8 million loan from Washington Mutual; and

WHEREAS, the Redevelopment Agency, under this loan guaranty, would guarantee obligations of payment of the loan principal in a maximum amount of \$1.8 million, along with interest on that portion of the loan at the rate set forth in the note; and

WHEREAS, the maximum principal amount constituting the guaranteed obligations will be reduced each year by an amount to be set forth in the guaranty; and,

WHEREAS, the Redevelopment Agency would be responsible for making payments on the note within ten business days after Washington Mutual's written demand for payments in the event of EOCP's failure to pay the note; now, therefore, be it

RESOLVED: That the Agency hereby authorizes a loan guaranty for 15 years in the principal amount of \$1.8 million plus interest to EOCP for the development of a new housing facility for the homeless at 7515 International Boulevard; and be it further

RESOLVED: That the funds shall be allocated from the Central City East Operations Fund (9540); Central City East Development Organization (88699); ORA – Central City East Repayment Agreement Project (\$233310); and be it further

RESOLVED: That the project will be subject to the Agency's employment and contracting requirements, including Prevailing Wage, Living Wage, Local Employment Program for construction (including apprenticeship requirements), Local and Small Business Enterprise Program, Equal Benefits, and First-Source Hiring requirements; and be it further

RESOLVED: That during the construction of the facility and once the facility is in operation EOCP will be held to the following employment and contracting requirements which include without limitation:

HUD Section 3: A requirement that employment opportunities be given to low and very low income persons.

City Local Employment Requirements: Fifty percent (50%) of work hours at the construction site shall be furnished by Oakland residents on a craft-by-craft basis, and fifty percent (50%) of all new construction hires shall be Oakland residents.

City 15% Apprenticeship: 15% of the total workforce hours go to Oakland apprentices.

City Local/Small Local Business Enterprise Requirements: A minimum of 20% local business participation is required at a rate of 10% certified local businesses and 10% certified small local businesses or 20% certified small local business participation.

and be it further

RESOLVED: That the EOCP shall continue its strong commitment to hire Oakland residents as program service staff; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator to conduct negotiations, execute documents, and take any other action with respect to the project and the loan guaranty consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland

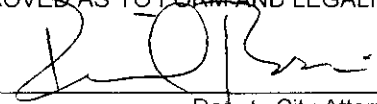
OFFICE OF THE CITY CLERK
CITY OF OAKLAND

Revised 2/28/2006

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APPROVED AS TO FORM AND LEGALITY:

By: _____



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION ALLOCATING \$1 MILLION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME TO EAST OAKLAND COMMUNITY PROJECT FOR DEVELOPMENT OF A NEW HOUSING FACILITY FOR THE HOMELESS AT 7515 INTERNATIONAL BOULEVARD

WHEREAS, the Housing and Community Development Division of the Community Economic Development Agency (CEDA) provides administration and related services for the Community Development Block Grant (CDBG) Program; and

WHEREAS, the CDBG budget includes \$1.8 million in "program income," which represents funds received as repayments of loans made to low income homeowners to rehabilitate their homes; and has seen significant repayments of first-time homebuyer loans made in prior years from HOME and Redevelopment Agency Low/Moderate Income Housing Funds; and

WHEREAS, in the past few years the CDBG program income has realized substantial revenue from unanticipated loan repayments due to the strong housing market; and

WHEREAS, as of June 30, 2005, there was approximately \$3.1 million of unspent CDBG program income funds in this program; and

WHEREAS, the East Oakland Community Project (EOCP) has proposed a new 125 bed housing facility for the homeless at 7515 International Boulevard; and

WHEREAS, the new proposed facility has a total development cost of \$8,699,584; and

WHEREAS, the total amount of funds committed to this project is \$5,884,500 which leaves a funding gap of \$2,815,084; and

WHEREAS, EOCP desires \$1 million of CDBG funds to help close the gap for the development of the new proposed facility; and

WHEREAS, \$1 million of CDBG program income has been recommended for EOCP to help close the gap for the development of the new proposed facility; now, therefore, be it

RESOLVED: \$1 million shall be appropriated to the Community Development Block Grant Fund (2108); Residential Lending Organization (88939); Rehabilitation Loan Program Costs (G08750); and be it further

RESOLVED: That the City Council hereby allocates this \$1 million of CDBG program income to East Oakland Community Project for development of a new housing facility for the homeless at 7515 International Boulevard from the Community Development Block Grant Fund (2108); and be it further

RESOLVED: That the project will be subject to the Agency's employment and contracting requirements, including Prevailing Wage, Living Wage, Local Employment Program for construction (including apprenticeship requirements), Local and Small Business Enterprise Program, Equal Benefits, and First-Source Hiring requirements; and be it further

RESOLVED: That during the construction of the facility and once the facility is in operation, EOCP will be held to the following employment and contracting requirements which include without limitation:

HUD Section 3: A requirement that employment opportunities be given to low and very low income persons.

City Local Employment Requirements: Fifty percent (50%) of work hours at the construction site shall be furnished by Oakland residents on a craft-by-craft basis, and fifty percent (50%) of all new construction hires shall be Oakland residents.

City 15% Apprenticeship: 15% of the total workforce hours go to Oakland apprentices.

City Local/Small Local Business Enterprise Requirements: A minimum of 20% local business participation is required at a rate of 10% certified local businesses and 10% certified small local businesses or 20% certified small local business participation.

and be it further

RESOLVED: That the EOCP shall continue its strong commitment to hire Oakland residents as program service staff; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator to conduct negotiations, execute documents, and take any other action with respect to the project and the allocation of CDBG funds consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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