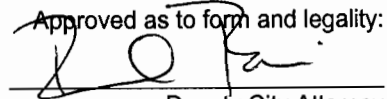


2011 APR 23 AM 9:42

Approved as to form and legality:  
  
Deputy City Attorney

## OAKLAND CITY COUNCIL

Resolution No. 83369 C.M.S.

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**RESOLUTION AMENDING RESOLUTION NO. 66603 C.M.S.  
AUTHORIZING A LOAN TO MAR ASSOCIATES FOR THE  
FRANK G. MAR PROJECT TO REDUCE THE INTEREST RATE  
TO 3%, EXTEND THE TIME FOR REPAYMENT, AND CONVERT  
THE LOAN INTO A SURPLUS CASH LOAN**

**WHEREAS**, per Resolution No. 66603 C.M.S., in 1989 the City loaned \$5,523,579 to Mar Associates (a general partner affiliate of The East Bay Asian Local Development Corporation or EBALDC) for the development of the 119-unit Frank G. Mar Apartments affordable housing project; and

**WHEREAS**, there is presently an existing loan and repayment agreement between the City and MAR Associates, and said loan will mature and monthly payments of \$67,000 come due in 2013; and

**WHEREAS**, the City recognizes that deferring these payments and extending the loan terms will ensure the long term financial health of the Frank G. Mar Apartments and EBALDC; and

**WHEREAS**, the City entered into a Loan Repayment Deferment Agreement (Portfolio Reserve) with EBALDC in October 2010, which authorizes EBALDC to defer its obligation to repay loans from surplus cash flow generated by the Frank G. Mar Apartments, and to instead use these funds to cover certain necessary capital expenses at other housing development projects in Oakland previously assisted by the City; and

**WHEREAS**, the City recognizes that reconfiguring the loan will allow 50% of the cash flow to return to the City, with the remaining 50% to support the Portfolio Reserve; now, therefore, it be

**RESOLVED:** That the City Council hereby amends Resolution No. 66603 C.M.S. to authorize a reduction in the current 8.02% interest rate to 3% simple interest; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes an extension of the time for loan repayment until 2042, and a conversion of the loan into a surplus cash flow loan; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to negotiate and execute a loan amendment and to take action with respect to this funding consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, MAY 17 2011

**PASSED BY THE FOLLOWING VOTE:**

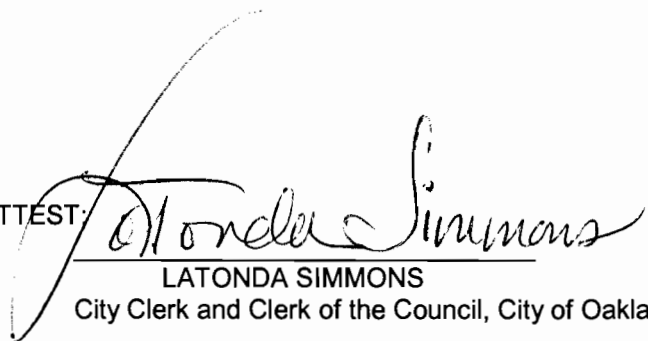
AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, AND  
PRESIDENT REID - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS

City Clerk and Clerk of the Council, City of Oakland