

OAKLAND CITY COUNCIL
RESOLUTION No. 78808 - C.M.S.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 JUL -1 PM 8:18



**RESOLUTION RESCINDING RESOLUTION NUMBER 94-43, WHICH
AUTHORIZED THE IMPLEMENTATION OF THE CULTURAL ARTS
REVOLVING LOAN PROGRAM MANAGED BY THE OAKLAND
BUSINESS DEVELOPMENT CORPORATION, AND AUTHORIZING
THE CITY'S PARTICIPATION IN THE ARTS LOAN FUND MANAGED
BY THE NORTHERN CALIFORNIA GRANTMAKERS**

WHEREAS, the Oakland Redevelopment Agency established a revolving arts loan program in June 1994 by appropriating \$250,000 in tax increments funds; and

WHEREAS, the Agency authorized the City Manager or his authorized representative to administer this program under Resolution Number 94-43 C.M.S.; and

WHEREAS, the Cultural Arts Department, which has overseen the Oakland Business Development Corporation's administration of the program since its inception, has determined after careful consideration that the current program model is unsustainable; and

WHEREAS, the City of Oakland has the opportunity to participate in a collaborative program of a regional association of funders called the Arts Loan Fund, administered by the Northern California Grantmakers; and

WHEREAS, the purpose of the Arts Loan Fund is to provide quick turnaround, low-cost financial assistance to Bay Area arts organizations experiencing cash flow problems; and

WHEREAS, the Arts Loan Fund is not designed to replace contributed or earned income, but to help organizations manage their cash flow needs; and

WHEREAS, the Arts Loan Fund is independently funded by its members, which include foundations, corporations, and local city government programs; and

WHEREAS, the Arts Loan Fund Steering Committee, which meets monthly and on which the City of Oakland has representation, sets policy, develops programs, and makes decisions on loan applications with recommendations provided by Northern California Grantmakers staff; and

WHEREAS, the Arts Loan Fund provides four types of loans:

1. Secured Loans: Collateralized by a government contract, grant or other guaranteed income
2. Benefit or Performance Loans: Secured with benefit proceeds or box office returns
3. Opportunity Loans: Available for new revenue streams or cost-savings opportunities
4. Quick Qualifier Loans: Available up to \$5,000; and

WHEREAS, non-profit organizations located in the counties of Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara are eligible to apply to the Arts Loan Fund; and

WHEREAS, applicants are called immediately after the monthly meeting and informed of the Committee's decision, and, if approved, the organization's Executive Director and an officer of the Board of Directors sign a promissory note obligating the organization to repay the loan with interest, at which point funds are disbursed; and

WHEREAS, participation in the Arts Loan Fund will be \$10,000 for the first three years, and

thereafter annual participation contribution amounts will be recommended to the City Council as part of the Cultural Arts Department budget during the City's biannual budget process in an amounts ranging from \$0 to \$10,000 annually; and

WHEREAS, after the first three years, participation contributions will be based on a) the health of the City's overall budget, b) the health of the Cultural Arts Department budget, and c) use of the program by Oakland-based organizations; now, therefore be it

RESOLVED: That Resolution Number 94-43 C.M.S., which authorized the implementation of the Cultural Arts Revolving Loan Program managed by the Oakland Business Development Corporation, is hereby rescinded; and be it

FURTHER RESOLVED: That all remaining funds from the Cultural Arts Revolving Loan Program managed by the Oakland Business Development Corporation be used toward participation in the collaboratively sustainable Arts Loan Fund administered by the Northern California Grantmakers, thereby increasing loan potentials for Oakland-based non-profit organizations, and elevating awareness of these groups among foundations and corporations that participate in funding the program; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator or her designated representative as agent of the City to determine the specific oversight of this program in coordination with the Office of the City Attorney; and be it

FURTHER RESOLVED: That a copy of this resolution be filed with the City Clerk.

SEP 21 2004

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, ~~REED~~, WAN and PRESIDENT DE LA FUENTE - 7

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused - Quan - 1

ATTEST: *Cetonda Simmons for*
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California