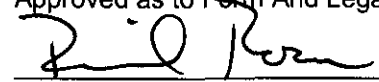


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Approved as to Form And Legality:



Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

Resolution No. 2006-0090 C.M.S.

**RESOLUTION AUTHORIZING AN OWNER PARTICIPATION
AGREEMENT WITH EASTSIDE ARTS AND HOUSING LLC TO
PROVIDE A RESIDUAL RECEIPTS LOAN IN AN AMOUNT NOT
TO EXCEED \$249,000 FOR PERMANENT FINANCING OF THE
EASTSIDE ARTS AND HOUSING PROJECT, A MIXED-USE
DEVELOPMENT AT 2277-2289 INTERNATIONAL BOULEVARD**

WHEREAS, the EastSide Arts Alliance (ESAA) and Affordable Housing Associates (AHA) have formed a limited liability company, EastSide Arts and Housing, LLC (ESAH), to develop the EastSide Arts and Housing Project (the "Project"), a mixed-use project at 2277-2289 International Boulevard consisting of 16 units of affordable housing, two storefront live/work units, and the EastSide Cultural Center; and

WHEREAS, the Project is located within the boundaries of the Coliseum Project Area, conforms to the Redevelopment Plan for the Coliseum Redevelopment Project adopted on July 25, 1995, and subsequently amended on July 29, 1997, as well as the Five Year Implementation Strategy adopted on October 28, 1004; and its development help meet the goals and objectives of the Coliseum Area Redevelopment Plan; and

WHEREAS, ESAH has diligently pursued and secured sources of funds for the design and construction of the Project; and

WHEREAS, ESAH must replace \$1,275,000 in short-term construction loans with permanent financing; and

WHEREAS, ESAH can leverage up to \$900,000 in grants from philanthropic sources, if matching funds are available; and

WHEREAS, ESAH has requested from the Redevelopment Agency a residual receipts loan of \$249,000 to be used as matching funds for the grants; and

WHEREAS, no other reasonable means of private or commercial financing at the same level of affordability and quantity is available to ESAH other than the residual receipts loan; and

WHEREAS, funds are available in the Agency's Coliseum Redevelopment Project Area; now therefore be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his designee to provide a loan in an amount not to exceed \$249,000 to EastSide Arts and Housing, LLC, or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for the permanent financing of the Project; and be it

FURTHER RESOLVED: That a total of \$249,000 will be allocated from the Oakland Redevelopment Agency's Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), and Coliseum-Staff Project (S82600); and be it

FURTHER RESOLVED: That the loan shall be for a maximum term of 15 years, with an interest rate of three percent per year, with repayment to the Agency from surplus cash flow from the Project and other available funds during the term of the loan with the balance due at the end of the term, or on such other repayment terms and schedule as the Agency Administrator or his or her designee determines are in the best interests of the Agency and the Project; and be it

FURTHER RESOLVED: That as a condition of the loan, the Agency will require that covenants be recorded on the Cultural Center property restricting the use of the property to cultural center uses for the term of the loan; and be it

FURTHER RESOLVED: That the loan shall be secured by a deed of trust on the Project land and improvements; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on and subject to such other appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee in his or her discretion to subordinate the priority of the Agency's deed of trust and/or recorded restrictions to a lien or encumbrance of another private or governmental entity providing financial assistance to the Project, if the Agency Administrator or his or her designee determines that (1) an economically feasible alternative method of financing the Project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the Agency's investment in the Project in the event of default is reasonably protected, and (3) subordination is in the best interests of the Agency; and be it further

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the Project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, DEC 19 2006, 2006

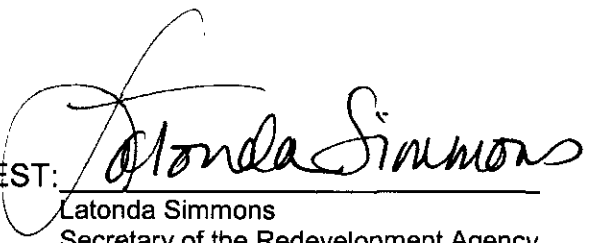
PASSED BY THE FOLLOWING VOTES:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 

Latonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California