



Office of the City Manager

**RECESS ITEM**  
**CONSENT CALENDAR**  
 January 21, 2020

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Jordan Klein, Economic Development Manager  
 Subject: Contract: Capoeira Arts Foundation

**RECOMMENDATION**

Adopt a Resolution ratifying the action taken by the City Manager during recess to execute a contract with Capoeira Arts Foundation in an amount not to exceed \$150,000.

**NEGATIVE EFFECT IF ACTION IS DELAYED UNTIL AFTER COUNCIL RECESS**

Capoeira Arts Foundation (CAF) is in urgent need of funding that the City Council allocated to the organization on November 19, 2019. If the City Manager were to wait until after the City Council recess to execute the contract, it would jeopardize CAF's planned acquisition of Casa de Cultura, the building located at 1901 San Pablo Avenue.

**FISCAL IMPACTS OF RECOMMENDATION**

On November 19, 2019, City Council allocated \$150,000 of Fiscal Year 2019 excess property transfer tax revenues to provide a forgivable loan to Capoeira Arts Foundation to support their planned acquisition of Casa de Cultura.<sup>1</sup>

**CURRENT SITUATION AND ITS EFFECTS**

CAF is currently in contract to purchase the building at 1901 San Pablo Avenue for \$1.8 million, where it has co-located with BrasArte, another nonprofit organization, for over a decade. Their contract with the seller requires them to submit a down-payment of \$500,000 by December 31, 2019. CAF has raised approximately \$350,000 for the down-payment and is in urgent need of funding from the City in order to be able to move forward with the acquisition.

Staff from the Office of Economic Development have worked closely with CAF representatives, following the funding commitment by City Council on November 19, 2019, to review financial records and negotiate the terms of a forgivable loan agreement. The City Manager executed the loan agreement during the Council recess given the deadline to close on the purchase of the building and City Council's express intent to assist CAF.

<sup>1</sup> [Berkeley City Council Meeting, November 19, 2019, Item 15.](#)

### BACKGROUND

Capoeira Arts Foundation is a 501(c)3 nonprofit organization dedicated to preserving, teaching, and performing arts related to African-Brazilian experience. Led by Mestre Acordeon (Ubirajara G. Almeida), a world-renowned capoeira master who has been sharing capoeira in the United States since 1978, the organization has operated in Berkeley for nearly 40 years. In 2008, the organization relocated to its current home at 1901 San Pablo Avenue, in partnership with BrasArte, another non-profit organization with a similar goal of preserving African Brazilian culture and arts. Now, CAF has the opportunity to purchase the building and secure a permanent home in Berkeley.

On October 15, 2019, City Council adopted a budget referral to the mid-year budget process to support CAF's purchase of the Casa De Cultura in partnership with BrasArte "to create a permanent home for their organizations, their school, the United Capoeira Association (UCA) Berkeley, and for other Brazilian art forms."<sup>2</sup> Subsequently, on November 19, during the mid-year budget update and allocation of FY19 excess equity and property transfer tax revenue, City Council allocated the funding.

Under the terms of the agreement, the City's loan to Capoeira Arts Foundation will be gradually forgiven over a ten-year period, as long as CAF continues operations at 1901 San Pablo Avenue. If at any point CAF sells the building or otherwise ceases its operations there, the organization will be required to repay the outstanding balance of the loan.

### ENVIRONMENTAL SUSTAINABILITY

There are no significant environmental sustainability impacts related to this action.

### RATIONALE FOR RECOMMENDATION

Capoeira Arts Foundation is a valued cultural institution. Council directed staff to provide funding to the organization via a forgivable loan.

### ALTERNATIVE ACTIONS CONSIDERED

Staff considered various terms for the forgivable loan agreement.

### CONTACT PERSON

David White, Deputy City Manager, (510) 981-7012

### Attachments:

1: Resolution

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<sup>2</sup> [Berkeley City Council Meeting, October 15, 2019, Item 18.](#)

RESOLUTION NO. ##,###-N.S.

CONTRACT: CAPOEIRA ARTS FOUNDATION

WHEREAS, Capoeira Arts Foundation is a nonprofit organization dedicated to preserving, teaching, and performing arts related to African-Brazilian experience, and has been operating in the City of Berkeley for nearly forty years; and

WHEREAS, since 2008, Capoeira Arts Foundation has, along with BrasArte, occupied the building at 1901 San Pablo Avenue known as Casa de Cultura; and

WHEREAS, Capoeira Arts Foundation (CAF) and BrasArte are arts and cultural organizations that make significant economic and social contributions to their immediate neighborhood and the greater Berkeley community; and

WHEREAS, on October 15, 2019, City Council adopted a budget referral to the mid-year budget process to support CAF's purchase of the Casa De Cultura; and

WHEREAS, on November 19, 2019, City Council allocated \$150,000 of Fiscal Year 2019 excess property transfer tax revenues to provide a forgivable loan to Capoeira Arts Foundation to support their planned acquisition of Casa de Cultura; and

WHEREAS, the City Manager executed a contract agreement with CAF during the City Council recess in order to make immediately available urgent funding needed to enable CAF to acquire Casa de Cultura.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Council ratifies the action taken by the City Manager to execute a contract with Capoeira Arts Foundation not to exceed \$150,000.

