

**C-12**

**Decro Scattered Site Rehab Project  
Sources and Uses Comparison**

<b>Budget Comparison:</b>	<u>Original</u>	<u>Current</u>
<b>Basis Eligible Uses:</b>		
Hard Costs	10,037,976	21,195,304
Contingency	435,822	2,400,000
Relocation	716,668	1,707,316
Other Soft Costs	<u>2,972,970</u>	<u>4,208,620</u>
	14,163,436	29,511,240
<b>Non-Basis Eligible Uses:</b>		
Acquisition	10,954,268	10,954,268
Optg Deficit Guarantee Reserve	1,000,000	1,000,000
Soft Costs	<u>1,884,446</u>	<u>3,520,817</u>
	13,838,714	15,475,085
<b>Total Uses:</b>	<u><u>28,002,151</u></u>	<u><u>44,986,325</u></u>
Taxable Bridge Loan	750,000	-
Bonds - Bridge Loan	-	6,000,000
Bonds - Permanent	15,236,000	15,236,000
Trustee - Interest earned	0	78,139
LB HOME (old)	3,323,129	3,323,129
LB HOME (at closing)	2,000,000	2,000,000
LB HOME (emergency work)		1,046,000
LB HOME (current request)		8,000,000
Operating Cashflow	1,166,047	1,858,379
Deferred Developer Fee	1,351,974	1,351,974
LP Equity	4,775,000	11,003,994
Less: Adjuster *		<u>(349,535)</u>
Net Equity		10,654,459
GP Equity	150,000	1,438,245
Pending Payables / Retention		
<b>Total Sources:</b>	<u><u>28,002,151</u></u>	<u><u>44,986,325</u></u>

**FY 2005-2006 HOME ACTION PLAN AMENDMENT  
(PROPOSED)**

<u>HOME PROJECT DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>CHANGE</u>
<b>#10 HOME Program Administration</b>	\$828,560	\$828,560	\$0
<b>#11 Multi-Family Residential Rental Rehab</b> NOTE: One-year performance measure for Multi-Family Residential Rental Rehab Program changes from 98 units to 418 units.	\$4,789,837	\$10,591,000	+ \$5,801,163
<b>#12 New Housing Production</b> NOTE: One-year Performance for new housing production changes from 23 to 3 units.	\$4,373,440	\$1,123,440	<\$3,250,000>
<b>#13 Homeownership Residential Rehab</b>	\$3,946,000	\$3,946,000	\$0
<b>#14 Direct Homeownership Assistance</b>	\$3,001,399	\$3,001,399	\$0
<b>#15 Tenant Based Rental Assistance</b>	\$300,000	\$300,000	\$0
Unanticipated Program Income	\$0	\$2,551,163	<\$2,551,163>
<b>Total HOME Funds</b>	<b>\$17,239,236</b>	<b>\$19,790,399</b>	<b>+\$2,551,163</b>

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF PROVIDING ADDITIONAL FINANCING FOR THE ACQUISITION AND REHABILITATION OF MULTIFAMILY RENTAL HOUSING PROJECTS BY DECRO LONG BEACH, L.P., AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City of Long Beach (the "City") is authorized pursuant to Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended (the "Act"), to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, refinancing or development of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to such multifamily rental housing; and

WHEREAS, at the request of Decro Long Beach, L.P., a California limited partnership (the "Borrower"), on April 8, 2004 the City issued its \$15,236,000 City of Long Beach Multifamily Housing Revenue Bonds (Decro Long Beach – Multiple Developments) Series 2004A (the "2004 Bonds") to finance the acquisition and rehabilitation by the Borrower of twelve different multifamily rental housing facilities all located in the City (collectively, the "Projects"); and

WHEREAS, due to circumstances that were not known at the time of issuance of the 2004 Bonds, the costs of the rehabilitation of the Projects have increased since the date of issuance of the 2004 Bonds, and the Borrower has now requested that the City issue additional bonds (the "2006 Bonds") for the Projects and execute

1 modifications to the documents for the 2004 Bonds to allow for the issuance of the 2006  
2 Bonds; and

3 WHEREAS, this City Council has determined to approve the issuance by the  
4 City of up to \$6,000,000 principal amount of the 2006 Bonds as provided below to be used  
5 to provide additional financing for the Projects; and

6 WHEREAS, in accordance with an allocation granted by the California Debt  
7 Limit Allocation Committee ("CDLAC") of bond authority for the 2006 Bonds, the 2006  
8 Bonds may bear interest that is excluded from gross income for federal income tax  
9 purposes; and

10 WHEREAS, the issuance of the 2006 Bonds was preliminarily approved by  
11 this City Council by a resolution adopted on October 18, 2005, after publication of a notice  
12 of public hearing and the holding by the City Treasurer of the public hearing as required  
13 by the Internal Revenue Code of 1986, as amended (the "Code"); and

14 WHEREAS, because the modifications to the documents for the 2004 Bonds  
15 may result in a reissuance of the 2004 Bonds for federal tax purposes, the Code requires  
16 that a public hearing be held with respect to the possible reissuance of the 2004 Bonds;  
17 and

18 WHEREAS, on March 13, 2006, the City Treasurer held a public hearing  
19 regarding the possible reissuance of the 2004 Bonds as required by the Code at which  
20 hearing any interested party could be heard regarding the possible reissuance of the 2004  
21 Bonds and the location, ownership, rehabilitation, operation or financing of the Projects;  
22 and

23 WHEREAS, Charter MAC Equity Issuer Trust has expressed its intention to  
24 purchase the 2006 Bonds (said purchaser being referred to herein as "CharterMac"), or to  
25 have a related entity purchase the 2006 Bonds, and the City Council finds that the public  
26 interest and necessity require that the City at this time make arrangements for the sale of  
27 the 2006 Bonds and the modification of the documents for the 2006 Bonds; and

28 WHEREAS, there have been prepared and have been placed on file with the City Attorney

1 the following documents:

2 (1) the form of Amended and Restated Trust Indenture (the "Indenture"),  
3 by and between the City and The Bank of New York Trust Company, N.A., as trustee (the  
4 "Trustee");

5 (2) the form of Amended and Restated Loan Agreement (the "Loan  
6 Agreement"), by and among the City, the Trustee and the Borrower;

7 (3) the form of Amended and Restated Regulatory Agreement and  
8 Declaration of Restrictive Covenants (the "Regulatory Agreement"), by and among the City,  
9 the Trustee and the Borrower; and

10 (4) the form of Bond Purchase Agreement relating to the 2006 Bonds (the  
11 "Bond Purchase Agreement"), by and among the City, the Borrower and CharterMac; and

12 WHEREAS, it appears that each of the documents listed above is in  
13 appropriate form and is an appropriate document to be executed and delivered for the  
14 purposes intended; and

15 WHEREAS, all conditions, things and acts required to exist, to have  
16 happened and to have been performed precedent to and in the issuance of the 2006  
17 Bonds as contemplated by this Resolution and the documents referred to herein exist,  
18 have happened and have been performed in due time, form and manner as required by  
19 the laws of the State of California, including the Act.

20 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
21 follows:

22 Section 1. Finding and Determination. It is hereby found and determined  
23 that it is necessary and desirable for the City to provide additional financing for the  
24 acquisition and rehabilitation of the Projects through the issuance and sale of the 2006  
25 Bonds in order to assist persons of low income within the City in obtaining decent, safe and  
26 sanitary housing.

27 Sec. 2. Authorization of 2006 Bonds. For the purpose of providing additional  
28 financing for the acquisition and rehabilitation of the Projects, the City hereby determines

1 to issue the 2006 Bonds in an aggregate principal amount not to exceed \$6,000,000. The  
2 2006 Bonds shall bear such rate of interest and shall mature on such date as provided in  
3 the Indenture. The 2006 Bonds shall be in substantially the form set forth in the Indenture,  
4 with such appropriate variations, omissions, insertions and provisions as are required or  
5 permitted by the Indenture. The 2006 Bonds shall be special, limited obligations of the City  
6 and shall be payable as to principal and interest, and the obligations of the City under the  
7 Indenture shall be paid and satisfied, solely from the revenues, receipts and other moneys  
8 and assets pledged therefor under the Indenture. The 2006 Bonds shall in no way be  
9 general obligations of the City.

10           Sec. 3. Execution, Delivery and Sale of the 2006 Bonds. The 2006 Bonds  
11 shall be executed on behalf of the City by the manual or facsimile signature of the Mayor,  
12 City Manager, Director of Financial Management or Treasurer (each being a "Designated  
13 Officer" and, collectively, the "Designated Officers"), and the official seal of the City, or a  
14 facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or  
15 facsimile signature of the City Clerk or a Deputy City Clerk.

16           Sec. 4. Approval of the Indenture. The Indenture, in the form on file in the  
17 City Attorney's office, is hereby approved. The Designated Officers, each acting along, are  
18 hereby authorized to execute and deliver the Indenture in such form, together with such  
19 changes as may be approved by the Designated Officer executing the same upon  
20 consultation with the City Attorney and Bond Counsel, such execution thereof to constitute  
21 conclusive evidence of the approval of all changes from the form of the Indenture approved  
22 by this Resolution.

23           Sec. 5. Approval of Loan Agreement. The Loan Agreement, in the form on  
24 file in the City Attorney's office, is hereby approved. The Designated Officers, each acting  
25 along, are hereby authorized to execute and deliver the Loan Agreement in such form,  
26 together with such changes as may be approved by the Designated Officer executing the  
27 same upon consultation with the City Attorney and Bond Counsel, such execution thereof  
28 to constitute conclusive evidence of the approval of all changes from the form of the Loan

1 Agreement approved by this Resolution.

2           Sec. 6. Approval of Regulatory Agreement. The Regulatory Agreement, in  
3 the form on file in the City Attorney's office, is hereby approved. The Designated Officers,  
4 each acting alone, are hereby authorized to execute and deliver a Regulatory Agreement  
5 in such form for each of the Projects being financed, together with such changes as may  
6 be approved by the Designated Officer executing the same upon consultation with the City  
7 Attorney and Bond Counsel, such execution thereof to constitute conclusive evidence of  
8 the approval of all changes from the form of the Regulatory Agreement approved by this  
9 Resolution.

10           Sec. 7. Approval of Bond Purchase Agreement. The Bond Purchase  
11 Agreement, in the form on file in the City Attorney's office, is hereby approved. The City  
12 is hereby authorized to sell the Bonds to CharterMac pursuant to the terms and conditions  
13 of the Bond Purchase Agreement. The Designated Officers, each acting along, are hereby  
14 authorized to execute and deliver the Bond Purchase Agreement in such form, together  
15 with such changes as may be approved by the Designated Officer executing the same  
16 upon consultation with the City Attorney and Bond Counsel, such execution thereof to  
17 constitute conclusive evidence of the approval of all changes from the form of the Bond  
18 Purchase Agreement approved by this Resolution (provided that, in any event, the  
19 maximum aggregate principal amount of the 2006 Bonds shall not be in excess of  
20 \$6,000,000, the initial interest rate on the 2006 Bonds shall not be in excess of six and  
21 one-half percent (6.50%) and the purchaser's discount or origination fee with respect to the  
22 2006 Bonds shall not be in excess of one and one-half percent (1-1/2%) of the maximum  
23 principal amount of the 2006 Bonds).

24           Sec. 8. Delivery of the 2006 Bonds. The 2006 Bonds, when executed, shall  
25 be delivered to the Trustee for authentication. The Trustee is hereby requested and  
26 directed to authenticate the 2006 Bonds by executing the Trustee's certificate of  
27 authentication appearing thereon, and to deliver the 2006 Bonds, when duly executed and  
28 authenticated, to CharterMac, in accordance with written instructions executed and

1 delivered on behalf of the City by a Designated Officer, which any Designated Officer,  
2 acting alone, is hereby authorized and directed to execute and deliver to the Trustee. Such  
3 instructions shall provide for the delivery of the 2006 Bonds to CharterMac in accordance  
4 with the Bond Purchase Agreement, upon payment of the purchase price thereof.

5           Sec. 9. Bond Counsel. The law firm of Quint & Thimmig LLP is hereby  
6 designated as Bond Counsel to the City for the 2006 Bonds. The City Attorney is hereby  
7 authorized to execute an agreement with said firm for its services with respect to the 2006  
8 Bonds in a form acceptable to the City Attorney, provided that any and all compensation  
9 of Bond Counsel is payable solely from the proceeds of the 2006 Bonds or funds  
10 contributed by or on behalf of the Borrower.

11           Sec. 10. Actions Ratified and Authorized. All actions heretofore taken by the  
12 officers and agents of the City with respect to the issuance and sale of the 2006 Bonds are  
13 hereby approved, confirmed and ratified, and the Designated Officers are each hereby  
14 authorized, for and in the name and on behalf of the City, to do any and all things and take  
15 any and all actions and execute and deliver any and all certificates, agreements and other  
16 documents, including but not limited to those certificates and other documents described  
17 in the Indenture, the Loan Agreement or the Bond Purchase Agreement, which they, or any  
18 of them, may deem necessary or advisable in order to consummate the lawful issuance  
19 and delivery of the 2006 Bonds and the modification of the documents for the 2004 Bonds  
20 in accordance with the Act and this Resolution.

21           Sec. 11. Further Consents, Approvals and Other Actions. All consents,  
22 approvals, notices, orders, requests and other actions permitted or required by any of the  
23 documents authorized by this Resolution or otherwise appropriate in the administration of  
24 the 2004 Bonds, the 2006 Bonds and the lending program financed thereby, including  
25 without limitation any of the foregoing which may be necessary or desirable in connection  
26 with any amendment of such documents, any sale or transfer of any of the Projects, any  
27 substitution of security for the 2004 Bonds or the 2006 Bonds, or any redemption of the  
28 2004 Bonds or the 2006 Bonds, may be taken or given by any of the Designated Officers,



