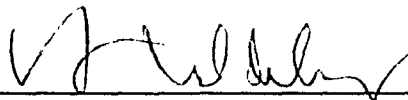


RESOLUTION NUMBER R- 281835 (R-93-1667)
ADOPTED ON APR 26 1993

BE IT RESOLVED, by the Council of The City of San Diego, that the financing teams for three proposed current refundings and one default refunding of City of San Diego Multifamily Housing Revenue Bonds, as identified in the attached Manager's Report No. 93-008CC, are hereby approved.

BE IT FURTHER RESOLVED, that the City Manager and the City Attorney are hereby authorized to work with said financing teams in preparing necessary documentation for the contemplated refundings which will be submitted for consideration and approval by the Housing Commission Board and the City Council.

APPROVED: JOHN W. WITT, City Attorney

By 
Harold O. Valderhaug
Chief Deputy City Attorney

HOV:ps
04/14/93
Or.Dept:Hsg.Comm.
R-93-1667
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III) Current refunding of \$16,000,000 1985 Issue J (University Town Center Apartments located at 7110 Shoreline Drive)

Financial Advisor - Evensen Dodge Inc. (75%) and The Knight Group Inc. (MBE and WBE - 25%)

Bond Underwriter - PaineWebber Incorporated (70%) and Artemis Capital Group, Inc. (WBE - 30%)

Bond Counsel - Jones, Hall, Hill & White (80%) and Ochoa and Sillas (MBE - 20%)

IV) Default refunding of \$30,900,000 1985 Issue D (Coral Point Apartments located at 3945 Nobel Drive)

Financial Advisor - Bancroft, Garcia & Lavell, Inc. (MBE)

Bond Underwriter - Newman and Associates, Inc. (50%) and Grigsby Brandford & Company, Inc. (MBE - 50%)

Bond Counsel - Orrick, Herrington & Sutcliffe (80%) and Nelson & Williams (MBE - 20%)

Recommendation - It is so recommended.

Fiscal Impact - The fees and expenses for the services of the financing team members will be included in the cost of issuance for the respective bond issues and paid by each project owner. Attached is the compensation schedule for each refunding (Attachment 1). Under each refunding, the Housing Commission's annual administrative fee will be negotiated.

Previous Related Action(s) - The original bond issuances were approved by the authorizing actions of the City Council. On **September 21, 1992**, the Commission approved Bancroft, Garcia & Lavell, Inc. as financial advisor for the Coral Point Apartments financing. On **March 15, 1993**, the Commission recommended that the City Council authorize a default refunding of the Coral Point bonds and approved the firm of Evensen Dodge, Inc. as financial advisor for the current refundings contemplated in 1993. On **April 19, 1993**, the Housing Commission approved bond underwriters for the contemplated current refundings and default refunding.

Future Related Action(s) - If the recommended action is approved, the Housing Commission and the City Council will be requested to authorize the individual bond refundings at later dates.

MBE/WBE Impact - All proposals include participation by MBE/WBE firms in accordance with established City of San Diego Minority and Women Business Enterprise goals.

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Housing Affordability Impact - Under each refunding, additional public benefit will be sought through creation of new affordable housing provisions (additional income/rent restrictions and the extension of the term of the restrictions).

DISCUSSION

Pursuant to the policy for the selection of financing team members, each bond issue, bond refunding, or bond restructuring requires selection of a Financial Advisor, Bond Underwriter and Bond Counsel on a competitive RFP basis (Attachment 2). Members of the selection committee included representatives from the Housing Commission, City Auditor's Office, City Attorney's Office, General Counsel to the Commission, SEDC and the respective developer's advisor. The final selection of the financing team members is made by the issuing body (City Council or Housing Authority).

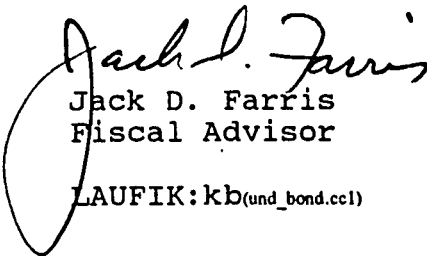
Under the policy, it is the responsibility of the City Attorney's office to select a bond counsel using a competitive process. The City Attorney's selection of the bond counsel firms is based on the results of their RFP process.

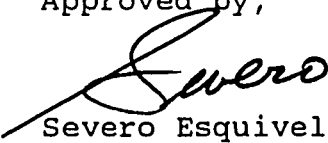
CONCLUSION

Staff recommends that the City Council approve the selection of the proposed members of the financing teams for the proposed bond refundings. If approved, the financing teams will start working with staff in preparing the necessary documentation for the contemplated refundings which will be submitted for consideration and authorization by the Housing Commission Board and the City Council.

Respectfully submitted,

Approved by,


Jack D. Farris
Fiscal Advisor


Severo Esquivel
Deputy City Manager

LAUFIK:kb(und_bond.ccl)

- Attachment 1: Compensation Schedule
- Attachment 2: Policy for the Selection of Financing Team Members

R-281835

ATTACHMENT 1

Compensation Schedule

Financial Advisor	Fee	Underwriter	Fee	Bond Counsel	Fee
<i>Mariner's Cove Apartments - \$19,655,000</i>					
Evensen Dodge Inc. and The Knight Group	\$15,000 + \$1,000 per \$1,000,000 in bonds in excess of \$10,000,000	Banc One Capital Corp. E. J. De a Rosa & Co.	\$9.50/\$1,000 Bond	Stradling Yocca, Carlson & Rauth and Fatica, Boutwell & Behrend	\$20,000
<i>University Canyon Apartments - \$3,990,000</i>					
Evensen Dodge Inc. and The Knight Group	\$15,000 + \$1,000 per \$1,000,000 in bonds in excess of \$10,000,000	Banc One Capital Corp. E. J. De a Rosa & Co.	\$12.50/\$1,000 Bond	Stradling Yocca, Carlson & Rauth and Fatica, Boutwell and Behrend	\$20,000
<i>University Town Center Apartments - \$16,000,000</i>					
Evensen Dodge Inc. and The Knight Group	\$15,000 + \$1,000 per \$1,000,000 in bonds in excess of \$10,000,000	PaineWebber, Inc. Artemis Capital Group Inc.	\$7.75/\$1,000 Bond	Jones, Hall, Hill & White and Ochoa and Sillas	\$35,000
<i>Coral Point Apartments - \$30,900,000</i>					
Bancroft Garcia & Lavell, Inc.	\$40,000	Newman & Associates, Inc. and Grigsby Brandford & Co	\$27,500 + Fixed: \$7.00/\$1,000 Bond Variable: \$5.00/\$1,000 Bond	Orrick Herrington & Sutcliffe and Nelson & Williams	\$45,000

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ATTACHMENT 2

HOUSING AUTHORITY THIRD PARTY BOND ISSUES FINANCING TEAM SELECTION

April 29, 1992

POLICY

- The Housing Authority and Housing Commission recognizes the issuance of bonds is a complex transaction which could have serious financial and legal implications if not executed properly.
- The Housing Authority desires the assistance of a Bond Counsel, Financial Advisor, and Underwriter for the issuance of bonds.
- The Bond Counsel, Financial Advisor, and Underwriter will be selected for each bond issue, bond refunding, or bond restructuring in accordance with the following procedure.
- Firms will be selected in accordance with established City of San Diego Minority and Women Business Enterprise goals.
- The Developer will bear the expense of the Bond Counsel, Financial Advisor, Underwriter and Credit Enhancement Provider.

PROCEDURE

1. The Housing Commission will request proposals from all interested Financial Advisors. (Interest in housing bonds will be determined by a survey of Financial Advisors in conjunction with the City of San Diego's periodic survey.) The proposals will be evaluated by a committee consisting of representatives from the Housing Commission staff, Housing Commission General Counsel, the City of San Diego's Finance Team, an independent local organization designated by the City Manager, and the developer. This committee will recommend the Financial Advisor to be selected. The recommendation will be submitted to the Housing Commission, then Housing Authority for approval. The Housing Authority shall make the final selection of the Financial Advisor.
2. The Financial Advisor shall prepare a feasibility study on whether it is economically advisable to proceed with the bond issue. Within the feasibility report will be the recommendation to sell the bonds on a competitive or negotiated basis.
3. The Bond Counsel will be selected by the Housing Authority Counsel (City Attorney) using a competitive process. Housing Authority Counsel will recommend the Bond Counsel to the Housing Authority. The Housing Authority shall make the final selection of the Bond Counsel.

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**HOUSING AUTHORITY
THIRD PARTY BOND ISSUES
FINANCING TEAM SELECTION**

April 29, 1992

PROCEDURE (Cont'd)

4. The Underwriter Provider shall be selected based on the following criteria.
 - a. In the event the bonds are sold on a negotiated basis, the Housing Commission will solicit proposals from all interested Underwriters. (Interest in housing bonds will be determined by a survey of Underwriters in conjunction with the City of San Diego's periodic survey.) The proposals will be evaluated by a committee consisting of representatives from the Housing Commission staff, Housing Commission General Counsel, the City of San Diego's Finance Team, an independent local organization designated by the City Manager, and the developer. This committee will recommend the Underwriter to be selected. The recommendation will be submitted to the Housing Commission, then Housing Authority for approval. The Housing Authority shall make the final selection of the Underwriter.
 - b. In the event the bonds are sold competitively, the Financial Advisor shall prepare a request for bids and notify all qualified underwriting firms by mail and by advertisement of the offering. A representative of the Housing Commission will select the lowest bidder, as determined by the true interest cost of the bid. The Underwriter selected will be submitted to the Housing Commission, then Housing Authority for approval.
5. The Credit Enhancement Provider shall be selected by the developer and meet the following criteria.
 - a. Generally, be rated "Aaa" by Moody's or "AAA" by Standard & Poors with a minimum rating being "A" by Moody's or Standard & Poors;
 - b. In case of a minimum bank rating:
 - i. Rated "B/C" or better by Thompson Bank Watch for a domestic bank or "B" or better for an international bank.

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**HOUSING AUTHORITY
THIRD PARTY BOND ISSUES
FINANCING TEAM SELECTION**

April 29, 1992

PROCEDURE (Cont'd)

- ii. Be a subsidiary of such parent organization with parent confirmation, a rating of "B/C" or better by Thompson Bank Watch for a domestic bank or "B" or better for an international bank.

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APR 26 1993

Passed and adopted by the Council of The City of San Diego on
by the following vote:

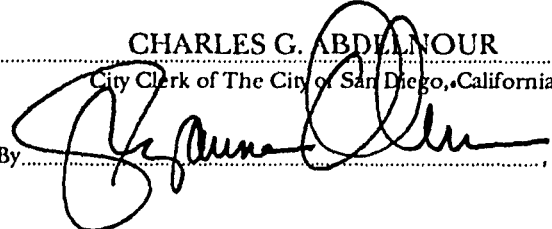
Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Stevens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Behr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Valerie Stallings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Juan Vargas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Susan Golding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

(Seal)

SUSAN GOLDING
 Mayor of The City of San Diego, California.

CHARLES G. ABDIENOUR
 City Clerk of The City of San Diego, California.

By:  Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **281835** Adopted **APR 26 1993**

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CITY CLERK'S OFFICE
SAN DIEGO, CA