

# Homeless Assistance Facilities Land Acquisition and Interim Financing

Finance, Audit & Accountability

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# Purpose

- The purpose of this briefing is to provide information regarding the interim financing of the \$2.4m land acquisition for the Homeless Assistance Facility
- Seek recommendation of the May 24, 2006 resolution authorizing the land acquisition

# Background

- 2003 Bond Program included a \$3m proposition for site acquisition, design and/or renovation of a Homeless Assistance Facility
  - Bonds were sold in November 2004
  - Funds awarded for land acquisition (1<sup>st</sup> parcel), design and construction management for a new facility
- A second proposition was approved by the Dallas voters in November 2005 to authorize the issuance of \$23.8m in general obligation bonds for permanent public improvements for Homeless Assistance Facilities, including single room occupancy facilities

# Land Acquisition

- Land is located near the intersection of St Louis St and Park Ave
- Land is owned by TXU Energy Delivery
- Land is available for purchase
- Land is \$2.4m + closing costs
- Second parcel to be acquired for the facility (first parcel acquired 05-25-05)
- Bonds will be issued in October 2006
- Interim financing recommended so that the land may be purchased now

# Interim Financing Transaction

- Borrow \$2.4m from the General Capital Reserve (GCR) on an interim basis until bonds are sold
- Repay the \$2.4m to the GCR with interest after bond proceeds are received in November 2006
- Proceeds from bond sale would be used to repay the acquisition costs
- Interest calculated for the loan period at the City's pooled interest rate and repaid from General Fund in FY07
- Interim funding transaction authorized by resolution
- Full \$23.8m in bonds for authorized proposition will be sold in October 2006 with bonds from the 1998 and 2003 Bond Programs (total bond sale \$230.145m)

# General Capital Reserve (GCR)

- GCR receives proceeds from sale of surplus City property and abandonments
- GCR funds are budgeted annually to be used for various general government uses such as Major Maintenance projects and General Fund revenue

# October 2006 Bond Sale Schedule of Events

August 29	Brief Finance, Audit & Accountability
September 13	Council authorization to prepare for bond sale
October 4	Receive ratings
October 6	Distribute Preliminary Official Statement and Representation Letters to Council
October 11	Receive and accept bids for bond sale
November 9	Deliver bonds and receive proceeds
November 10	Repay loan from GCR

# Recommendation

- Approval of the May 24 Council resolution authorizing the interim financing and the land acquisition