

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 (1st 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