

7. Bridge Loan Financing for Shelter the Homeless

Prior to the transfer of up to \$21 million in capital project financing to Shelter the Homeless (STH) for resource center projects, it is the intent of the Council that the Mayor and staff will:

- 1) Update the financial information regarding the three projects to reflect changes in the revenue and expenses that have occurred since 14 June 2019. And perform all necessary due diligence regarding the hard costs of constructing three new homeless resource centers including a review of the financial system used to track invoices and payments.

- 2) Perform due diligence regarding all revenue secured by STH for construction of three new homeless resource centers including a more detailed understanding of the nearly \$5 million in contributions due later this year. Fashion a reconciliation process to offset the needed amount of the County's sales tax bond by recognizing donations received prior to the bond's issuance OR create an escrow account that would accumulate donations and dedicate the amounts received and interest earned toward the annual bond payments

- 3) Create a contract, subject to Council review and approved by the Shelter the Homeless Board of Directors, that:
 - Identifies assets owned by Shelter the Homeless that they are willing to pledge as collateral for the bond. The assets must have clean unencumbered titles and an actual cost that exceeds \$25 million OR should the bond amount be less than \$21 million, an actual cost that is twenty percent higher than the outstanding bond amount.

 - Create a payment schedule that details annual payments (principal, interest and any associated fees) and the dates they will be paid by Shelter the Homeless to finance the up to \$21 million in capital funding provided by the county.

Added July 16, 2019