

From: Jack Tibbetts
Sent: Thursday, September 16, 2021 10:12 AM
To: Maria Contreras <Maria.Contreras@sonoma-county.org>
Cc: Jack Tibbetts
Subject: Re: St Vincent de Paul - Gold Coin

EXTERNAL

Hi Maria,

It's good to hear from you. I've been meaning to reach out. Yes, our Counsel reviewed the documents, and we do have an area of concern. To help facilitate a more swift execution of construction, and to do so in a more financially efficient way, we'd like to apply this \$500,000 to the acquisition of the Gold Coin instead of renovation. I believe this may need Board approval, but a letter in writing approving the change is sufficient for us.

Here's what we hope to do:

We currently owe about \$1,300,000 from the acquisition of the property. We (SVDP) have about \$900,000 cash on hand. We'd like to take the CFH award and our cash on hand to retire the acquisition debt, then take out a construction to perm loan with Summit State Bank to fund the entire acquisition. However, to do that, we need to own the property outright. We would take your \$500,000 and our \$900,000 to do this. Summit State Bank already has our application before them.

The reason for this is the increases in construction costs we, and everyone building, is incurring. Our bids came back 30% higher than they did in December. We do have our building permit now from the City of Santa Rosa, so we are ready to go if we can get this new loan funded. If we cannot payoff the acquisition debt and obtain a new construction loan, we are looking at additional fundraising.

Do you think changing the GFH award to acquisition from renovation is OK? In the end, this change is still facilitating the renovation, so it may not even be a change that needs to be made. However, the CFH loan docs specifically called out use for construction.

Please advise,

Jack Tibbetts

Councilmember
City of Santa Rosa
Executive Director
St. Vincent de Paul - Sonoma