

# Memorandum



CITY OF DALLAS

DATE May 26, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2017-18 Budget Development**

On Wednesday, May 17, 2017, the Chief Financial Officer and Office of Financial Services briefed City Council on the FY 2017-18 Proposed Budget. The briefing focused on preliminary general fund outlook, cost drivers that may impact the FY 2017-18 proposed budget, State legislation, biennial budgeting, and performance management. Below is information pertaining to questions Council Members asked at the briefing.

## Biennial Budgeting Comparative Analysis

Currently, 19 states enact a form of biennial budget. Three of these states – Texas, North Carolina and Ohio – are among the most populous states in the U.S. Two counties that utilize a biennial budget are Orange County, CA and San Diego, CA. In the FY 2016-17 & 2017-18 biennium, 42 cities in Washington adopted a biennial budget, and in 2002, approximately 10 percent (43 cities) of cities in California enacted a form of a biennial budget. Examples of cities that currently utilize a biennial budget are:

- Oakland, CA
- Wichita, KS
- Tacoma, WA
- Huntington Beach, CA
- Fort Collins, CO
- Berkeley, CA

## Effective Tax Rate

In our presentation of possible State legislative action regarding property tax rollback rates, we did not include the effective tax rate. The comparative table below includes the effective tax rate. Please note, the analysis is based on FY 17 certified values and as if the proposed legislation had been in effect last year.

Property Tax Assumption	Tax Rate	General Fund Revenue*	Variance from FY 17 Adopted*
FY 17 Adopted Rate	\$0.7825	\$603.1	
Previous Rate	\$0.7970	\$608.0	\$4.9
Growth Rollback Rate (8%)	\$0.7842	\$605.0	\$1.9
Effective Tax Rate	\$0.7490	\$560.2	(\$42.9)
Growth Rollback Rate (5%)	\$0.7687	\$588.2	(\$14.9)
Election Rollback Rate (6% plus 2.2% Inflation)	\$0.7853	\$606.1	\$3.0
Petition Rollback Rate (3% plus 2.2% Inflation)	\$0.7696	\$589.2	(\$13.9)

\*In Millions

DATE May 26, 2017  
SUBJECT FY 2017-18 Budget Development

### Financial Management Performance Criteria

City staff will brief the Budget, Finance & Audit Committee on proposed changes to the Financial Management Performance Criteria in August 2017.

### Housing Permits

The chart below reflects the number of new single-family (SF) and multi-family (MF) units per year.

Year	New SF Units	New MF Units
2012	798	6,010
2013	882	6,239
2014	696	7,660
2015	1,136	7,227
2016	1,403	6,628
Total	4,915	33,764

### Dallas 365

Dallas 365 will link 35 performance measures important to citizens to six strategic areas. City staff will brief the City Council on the 35 measures at the June 21, 2017 Budget Workshop.

Please contact me if you need any further information.



T.C. Broadnax  
City Manager

- c: Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE May 26, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **Atmos Rates for Customers in the City of Dallas**

On Wednesday, May 24, City Council approved an ordinance (1) denying rates as requested by Atmos Energy Corp. Mid-Tex Division (Atmos), (2) authorizing rates for Atmos granting an increase of \$5 million in base revenues as recommended by the Budget, Finance, and Audit Committee instead of the rates requested by Atmos that would have increased base revenues by \$10.7 million or the rates negotiated by Atmos and City staff that would have increased base revenues by \$7.8 million, and (3) directing the City Manager to take appropriate action to initiate a proceeding to show cause why Atmos rates should not be reduced.

On Friday, May 26, the City received notice that Atmos filed a "Petition for De Novo Review of the Denial of the Dallas Annual Rate Review Mechanism Tariff Filed by Atmos Energy Corp., Mid-Tex Division by the City of Dallas" with the Railroad Commission of Texas (RTC). The appeal requests that the Railroad Commission of Texas increase rates within the City of Dallas by \$10.4 million annually. The requested rates will be implemented on June 1, subject to refund, and will remain in effect while the appeal is pending. Atmos also requested that they be allowed to recover rate case expenses from customers.

Staff will monitor and keep Council informed of this appeal.



T.C. Broadnax  
City Manager

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Directors and Assistant Directors

**REVISED**

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CITY SECRETARY  
DALLAS, TEXAS



CITY OF DALLAS

**Memorandum**

DATE May 26, 2017

TO Honorable Members of the Arts, Culture & Libraries Committee: Mark Clayton (Vice Chair), Deputy Mayor Pro Tem Erik Wilson, Carolyn King Arnold, Jennifer S. Gates, Scott Griggs

SUBJECT **Arts, Culture & Libraries Committee Meeting Cancelled**

Please be advised that the following Arts, Culture & Libraries Committee meeting has been cancelled.

**Monday, June 5, 2017, 3:00 p.m. – 4:30 p.m.**

Dallas City Hall – 6ES, 1500 Marilla St., Dallas, TX 75201

The next scheduled meeting of the Arts, Culture & Libraries Committee will be

**Monday, August 21, 2017, 3:00 p.m. – 4:30 p.m.**

Dallas City Hall – 6ES, 1500 Marilla St., Dallas, TX 75201

A handwritten signature in black ink, appearing to read 'Monica R. Alonzo'.

Mayor Pro Tem Monica R. Alonzo  
Chair

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
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Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE May 26, 2017

TO Housing Committee Members: Scott Griggs, Chair; Carolyn King Arnold, Vice-Chair; Mayor Pro-Tem  
Monica R. Alonzo; Tiffinni A. Young; Mark Clayton; and Casey Thomas, II

SUBJECT **Annual Community Assessment Letter**

By the end of December each year, the City reports to the U.S. Department of Housing and Urban Development (HUD) on the prior year's activity that is funded with HUD grant funds through the Consolidated Plan. These grants include Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). HUD completed their review of the City's FY 2015-16 performance and issued the attached Annual Community Assessment Letter for the 2015 program year on April 5, 2017. The City's response to HUD's review letter is also attached.

The City was commended for its efforts to affirmatively further fair housing. The letter also confirms the City's compliance with overall program requirements relating to spending caps, matching funds and expenditure deadlines. Staff will continue working with HUD to address the areas identified as needing improvement and implement recommendations noted in the letter.

Please let me know if you have questions or require additional information.



T.C. Broadnax  
City Manager

## Attachments

c: Honorable Mayor and Members of the City Council  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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Directors and Assistant Directors



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Fort Worth Regional Office, Region VI  
Office of Community Planning and Development  
801 Cherry Street, Unit #45, Ste. 2500  
Fort Worth, TX 76102  
www.hud.gov

**APR 05 2017**

T.C. Broadnax, City Manager  
City of Dallas  
Dallas City Hall, 4EN  
1500 Marilla  
Dallas, Texas 75201

Dear Mr. Broadnax:

**SUBJECT:** Annual Community Assessment for the 2015 Program Year

HUD is required to conduct an annual review of performance by grant recipients according to the provisions of the Housing and Community Development Act and the National Affordable Housing Act. We must determine that each recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report the results of our review of the City of Dallas' performance.

### **Report**

Our review is based on an evaluation of your consolidated planning process and progress in carrying out the programs, the management of funds by the City of Dallas and your subrecipients, information provided in the Consolidated Annual Performance and Evaluation Report (CAPER) and the Integrated Disbursement and Information System (IDIS), the results of on-site monitoring, and your achievement of program objectives.

The city's 2015 CAPER remains under review by this office. From the information presently known, we have concerns about the city's implementation of its Consolidated Plan Programs, which involve:

- o CDBG expenditures for activity delivery costs associated with the city's housing rehabilitation programs;
- o the proportion of funds utilized for activities that support city staff salaries and operating costs;
- o Deficiencies in the information entered into IDIS for Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funded activities; and
- o Ongoing reporting issues with the city's Neighborhood Stabilization Program (NSP) reports.

From the above, we cannot determine if the city has carried out its program substantially as described in the Consolidated Plan. It should be noted that there are areas

where the city's programs appear to be better aligned with the Consolidated Plan. These areas are described in the following paragraphs.

- **Providing Decent Housing.** To promote decent, affordable housing, the city administered rehabilitation, homeownership, and housing development programs, rental assistance, and housing for homeless persons and families and other special needs populations. Highlights as reported by the city include:

  - During the 2015 program year, CDBG and HOME funds were used to rehabilitate 439 single-family homes owned by low and moderate income (LMI) households through these programs: People Helping People – 204; Major Systems Repair – 132; Minor Plumbing Repair/Replacement – 93; and Housing Reconstruction – 10.
  - HOME funds were used to construct a 23-unit multifamily housing development.
  - Through the Mortgage Assistance Program (MAP), the city provided homeownership assistance to 153 LMI homebuyers.
  - Emergency Solutions Grants (ESG) funds were used to provide emergency shelter to 2,504 homeless persons, rapidly rehouse 280 individuals, and homeless prevention assistance to 196 persons at risk of becoming homeless.
  - Housing Opportunities for Persons with AIDS (HOPWA) funds were used to provide housing assistance to 851 households.
  - The city administered 519 units of tenant-based rental assistance for homeless individuals and families using HOME funds and Continuum of Care Program funds.
  
- **Suitable Living Environment.** CDBG-funded public services projects served 19,374 persons during the program year, including 11,714 elderly persons, 3,030 youth and 133 persons with disabilities. Services provided included job training and employment assistance, child care, youth programs, and various programs designed to meet the needs of senior citizens. CDBG funds were also used to carry out park improvements, street and sidewalk improvements, and code enforcement activities in the city's five Neighborhood Investment Program (NIP) target areas.
  
- **Expand Economic Opportunity.** To promote local economic opportunities, CDBG funds were used to make one small business loan which is expected to create three jobs. During the reporting period, a loan funded during the previous program year created four full-time jobs. Also, technical assistance was provided to 1,131 persons who either own or are interested in developing a microenterprise business.

We commend the city for its efforts to affirmatively further fair housing. In December 2015 the City of Dallas completed its Analysis of Impediments to Affirmatively Furthering Fair Housing (AI). Actions taken by the city during the program year include:

- Developed a formal review process to ensure all grant-funded projects meet the city's fair housing goals
- Conducted 64 fair housing presentations and promotional events
- Trained 3,804 citizens and 152 city employees on fair housing rights and responsibilities
- Held a Regional Fair Housing Symposium in May 2016
- Led efforts to develop a regional Assessment of Fair Housing (AFH)

We note the city's compliance with the following requirements.

## CDBG

- **Overall CDBG Program Benefit.** In program year 2015, 100 percent of CDBG funds (excluding funds expended for planning and administration) were expended on activities which principally benefit low and moderate income persons.
- **Planning and Administration and Public Service Caps.** We used the CAPER to determine compliance with the caps on planning and administration costs and on public services.
  - The amount of funds expended on planning and administration was 19.33 percent, which is currently within the 20 percent cap for such activities. However, it appears the city may have used CDBG funds to provide operating assistance to certain HOME-funded non-profit housing developers and misclassified those activities in IDIS. If it is determined that those costs must be reclassified as administration expenses, they will be included in the calculation for determining compliance with the planning and administration cap.
  - The amount of funds expended on public service activities was 13.51 percent, which complies with the 15 percent cap.
- **CDBG Timeliness.** The city expended CDBG funds in a timely manner. HUD's CDBG timeliness standard requires that 60 days before the end of the program year, a grantee must not have more than 1.50 program years of grant funds in its line of credit. As of August 2, 2016, the city's line of credit balance was equivalent to 1.21 grant years, which is below the maximum allowed.

## HOME

- **Program Progress.** For the HOME program, a participating jurisdiction has two years to commit and five years to expend each year's HOME allocation. The HOME Deadline Compliance Status Report indicates that the city has met its statutory 24-month total commitment and CHDO reservation deadline for its Fiscal Year (FY) 2014 HOME allocation based upon information entered by city staff in IDIS. The city has also met its statutory five-year expenditure deadline for its FY 2011 HOME allocation based upon the city's entries in IDIS.
- **Match Requirements.** The city currently has a fifty percent reduction in its HOME match liability. According to the information contained in the CAPER, the City of Dallas met its annual match requirement for the 2015 program year. Match contributions reported in the CAPER are subject to on-site review.

## ESG AND HOPWA

- **ESG Program Expenditure Deadline.** Based on drawdown information in IDIS, the city met the 24-month grant expenditure deadline for its FY 2014 ESG grant allocation.
- **HOPWA Program Expenditure Deadline.** According to the information in IDIS, the city met the 36-month program expenditure deadline for its FY 2013 allocation.



## SECTION 108

- **Lorenzo Hotel.** The city was approved for a HUD 108 Loan Guarantee for \$11 million to redevelop the vacant, former Ramada Plaza Hotel into a four-star, 237-room Lorenzo Hotel under the Choice Hotels' Ascend Hotel Collection. Construction began during the 2015 program year and was completed in February 2017. The hotel offers two full-service restaurants, a gift shop, four meeting areas, concierge service, a fitness center, and an outdoor swimming pool with patio bar, and is expected to create 220 permanent full-time jobs. To meet a national objective, at least 51 percent of the jobs created must be filled by LMI persons. Job creation accomplishments will be reported in the 2016 CAPER.

### Areas Needing Improvement and Recommendations

We also have included the following recommendations to improve performance and correct areas of noncompliance as you continue to develop and refine your consolidated planning process and carry out your programs.

- **Onsite Monitoring.** The Fort Worth Office of CPD conducted two onsite monitoring reviews during the program year.
  - The city's administration of its CDBG Program was reviewed the week of June 13-17, 2016, in the areas of eligibility, national objective compliance, and overall program management. Activities reviewed included code enforcement, public services and public facilities and improvements. The monitoring report contained no findings or concerns.
  - The city's HOME Program was reviewed in the area of financial management the week of August 8-11, 2016, which resulted in one concern.

The city should ensure that the recommendations made during those reviews, particularly those included in the monitoring reports, are implemented.

- **Departmental Enforcement Center Reviews.** At the request of this office, HUD's Departmental Enforcement Center (DEC) conducted four onsite reviews during program years 2014, 2015 and 2016.

The first referral to the DEC was due to concerns about CDBG expenditures for managing the city's housing rehabilitation programs. CPD requested the DEC review the expenditure of CDBG and HOME funds in support of the Bexar Street Redevelopment Initiative due to issues identified during review of the city's 2014 CAPER. Because of unresolved reporting deficiencies with the city's Neighborhood Stabilization Program (NSP), this office made another referral for review of the city's NSP grants. The fourth referral to the DEC was initiated because of a report issued by the City of Dallas Auditor's Office in March 2016 which raised documentation concerns about CPD-funded housing projects.

The results of three of the four reviews were sent to the city, and several exchanges of information have taken place. Efforts to resolve the deficiencies identified in the each of those reviews are ongoing. The DEC's review of the issues identified in the City of Dallas Auditor's report is currently underway.

- In April 2016 the results of the DEC review involving the city's CDBG-funded housing rehabilitation delivery costs were forwarded to the city. The review identified significant unsupported costs, deficient recordkeeping with respect to employee staff time, a lack of supporting documentation under the People Helping People Program, and non-housing rehabilitation costs being charged to the activities reviewed.
- In October 2016 the results of the DEC's review of the city's Bexar Street Mixed Use project were transmitted to the city. The review identified approximately \$405,000 in unsupported HOME and CDBG disbursements along with instances where the city disbursed funds to the property owner well in advance of needs.
- In January 2017 results of the DEC's review of the city's NSP grants were sent to the city. As a result of that review, the city has reimbursed its NSP grants for ineligible payroll expenses of \$50,809.56. Efforts to resolve documentation involving additional NSP expenditures of \$28,671.55 are ongoing. In 2014 and again in 2015, HUD contracted with a technical assistance (TA) provider to provide one-on-one technical assistance to city staff on the NSP reporting requirements. To address ongoing reporting deficiencies, we have again arranged for onsite technical assistance. The TA provider is currently working with city staff to address inaccurate, missing or incomplete information in DRGR. The TA will also address issues identified by the DEC concerning tracking program income and receipting it in DRGR.
- **Rehabilitation Delivery Costs.** The City of Dallas reported for the program year CDBG expenditures of \$3,247,225 for rehabilitation hard costs and an additional \$2,597,722 for rehabilitation activity delivery costs. These costs include housing staff costs and related soft costs. The costs for activity delivery were 80 percent of the actual rehabilitation costs incurred. During the 2014 program year rehabilitation hard costs were \$3,884,113 with delivery costs of \$2,276,792, or 57 percent of actual rehabilitation costs. The city must undertake an immediate review of its CDBG-funded rehabilitation program to ensure that the only activity delivery costs being charged to the program are those directly incurred for the delivery of CDBG-assisted rehabilitation activities.
- **CAPER Review.** Submitting complete and accurate performance reports is an important part of the city's administration of its formula grant programs and is essential in order for HUD to evaluate the city's performance. We have worked with the city to improve the quality of the data entered into IDIS for CDBG-funded activities. The city's efforts to make those improvements is evident in this year's report. However, our review of the 2015 CAPER revealed a number of deficiencies in IDIS for HOME-funded activities, and in some cases, CDBG-funded activities. The DEC has also raised concerns about IDIS data. At this point the validity of the data reported for certain HOME and CDBG-funded activities cannot be confirmed.
- **Slow-moving Project.** The city awarded \$380,000 in FY 2008 CDBG funds to Shared Housing Center (SHC) to acquire land for a new housing development for homeless families and individuals. In the FY 2011 Continuum of Care homeless assistance competition SHC was awarded \$400,000 in Supportive Housing Program (SHP) funds for

up to 50 percent of the construction costs. Because SHC failed to meet the timeliness standards in the NOFA for completion of construction, HUD notified SHC on October 26, 2016 that the grant was terminated. In response to our inquiry about the city's plan to reimburse the CDBG program for the site acquisition costs, staff advised that SHC was securing a bank loan to complete the project. Within 30 days, the city needs to provide evidence of firm commitments for all project financing along with a timetable not to exceed 12 months for completing construction, or be prepared to reimburse the CDBG program for the acquisition costs, as the activity does not meet a national objective of the CDBG program.

- **Use of CDBG for "Soft Costs"**. In reviewing CDBG-funded activities from FYs 2015 and 2016, the Department notes that a high proportion of funds are devoted to activities that, pursuant to information in IDIS, appear to involve salary and operating costs. This would include code enforcement, housing rehabilitation administration, community court operations, and other similar activities. This raises a question of whether the city is supplanting local financial resources with federal funds, an action that is statutorily prohibited under the CDBG program. We urge the city to reconsider this approach in the development of future action plans in favor of activities that deliver direct benefits to LMI populations.

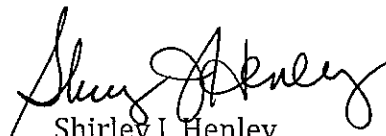
### Conclusion

As a result of our evaluation, we are unable to determine that the City of Dallas has carried out its program substantially as described in its Consolidated Plan. As discussed in this assessment, we have identified instances in which the Consolidated Plan as implemented has not complied with the requirements of the Housing and Community Development Act and other applicable laws and regulations. These issues must be resolved and the 2015 CAPER must be revised to accurately reflect the activities undertaken during the year. Failure to address these deficiencies may be cause for the Department, when looking at future grants, to determine that the city lacks the capacity to carry out its program in a timely manner.

We are providing the city with 30 days from the date of this letter to comment on this report. Should the city wish to comment or request changes to it we will take them into consideration and provide a written response. If no comments are received within the period allowed, this report will be considered to be in final form. Once it is in final form, it will be made available to the public upon request. We request that you provide a copy of this letter to the Independent Public Accountant who performs the single audit of the city in accordance with OMB Circular A-133.

If you have any questions, please contact Kristin Hadawi, Senior Community Planning and Development Representative, at (817) 978-5959.

Sincerely,

  
Shirley J. Henley  
Director

cc: Chan Williams, Assistant Director, Office of Financial Services ✓



May 22, 2017

Ms. Shirley J. Henley, Director  
U. S. Department of Housing and Urban Development  
Office of Community Planning and Development  
801 Cherry Street, Unit 45 – Suite 2500  
Fort Worth, TX 76102

Dear Ms. Henley:

In response to your letter dated April 5, 2017, the City submits the following response to the Annual Community Assessment for the 2015 Program Year.

We thank you for acknowledging our efforts to affirmatively further fair housing as well as providing decent housing, contributing to suitable living environments and expanding economic opportunity. We also thank you for confirming compliance with:

- Overall CDBG Program Benefit
- Planning and Administration of Public Service Caps
- CDBG Timeliness
- HOME Program Progress and Match Requirements
- ESG and HOPWA Program Expenditure Deadlines
- Section 108 Program

HUD's onsite monitoring and DEC program reviews have provided helpful feedback to improve the City's programs. We appreciate HUD's efforts to work with the City to address the areas needing improvement, satisfy all documentation concerns, and work to close out the NSP 1 and NSP 3 programs. As we continue our efforts to gather and provide further information to resolve deficiencies identified in older projects/programs, the City is updating its policies, procedures, contracts, and recordkeeping so that our current and future records are to HUD's new standards.

#### **Rehabilitation Delivery Costs**

Following the review of Housing Rehabilitation delivery costs in 2016, the City did review all CDBG assisted rehabilitation programs and the direct delivery costs associated with them. As a result, the City changed its method of timekeeping to track specific activities worked on by staff. The revised process was implemented on July 6, 2016 and staff training was held in June and July 2016. A cost allocation plan was also developed so that shared and common costs are properly allocated among programs. The City also continues to review both the number of programs undertaken with CDBG funds and the efficiency of delivering those programs. Upcoming CAPERs and Action Plans will reflect that work.

### **CAPER Review**

Regarding DRGR (NSP) and IDIS reporting, the City began working with the HUD Technical Assistance provider early this year and we have developed timetables for work product completion for each area of concern. We believe there has been progress on resolving the issues of concern and expect to have all tasks completed by the end of May. The City will also be engaging additional technical assistance to assist with CDBG and HOME IDIS clean-up and program reviews before the end of May.

### **Slow-moving Project**

With regard to the Shared Housing Center (SHC) project, we submit to you the lender commitment for the project along with a budget. (See attached) Following is the timetable for completion.

- Construction for all 5 buildings underway July 2017
- Construction completion for all 5 buildings March 2018
- Occupancy for first building April 2018

### **Use of CDBG for “Soft Costs”**

Salary and operating costs associated with code enforcement, housing rehabilitation administration, community court operations and other similar activities are direct costs integral to delivery of the eligible CDBG activity. Regulations allow these costs. The City provides 170 inspectors and over \$10m for code inspections citywide. Federal funds are used to carry out enhanced code enforcement inspections in target areas. Local funds in excess of \$400k are used to support costs for the community courts. Federal funds are used for operational costs, to coordinate community service projects and provide case management to individuals served through the community courts. In addition to federal funds, over \$1.5m in local funds are used for housing rehabilitation programs. Additional local and state funds are used to provide other public service activities that directly benefit low and moderate income individuals and families.

As previously mentioned, the City is reviewing all programs undertaken with HUD funds and upcoming CAPERs and Action Plans will reflect that work. With the engagement of additional technical assistance, we expect to address and resolve all of HUDs noted concerns.

If you have any questions, please contact Chan Williams, Assistant Director, Office of Financial Services, at 214-670-5544.

Sincerely,



Raquel Favela  
Chief of Economic Development &  
Neighborhood Services

### **Attachments**

c: T.C. Broadnax, City Manager  
Bernadette Mitchell, Director, Housing & Neighborhood Revitalization  
Chan Williams, Assistant Director, Office of Financial Services



Community Development Banking  
7060 S. Yale, Suite 301  
Tulsa, OK 74136

Clarence V. Boyd  
Relationship Manager  
(918) 488-7063  
cboyd@bokf.com

CONFIDENTIAL - 3/20/2017

Shared Housing Center, Inc.

**MS. MARIA MACHADO**  
**Shared Housing Center, Inc.**  
**402 N. Good Latimer Expressway**  
**Dallas, TX 75204**

**RE: \$2,000,000 BRIDGE FACILITY**  
*Sent via Email*

Ms. Machado:

It is a pleasure to provide for your review the financing proposal written below. BOK Financial Corporation dba Bank of Texas (the "Bank") would like you to consider the following financing terms for the bridge note. The terms presented below are for discussion purposes only and do not represent a lending commitment from the Bank. Final approval is subject to underwriting and a mutual agreement with regard to the acceptance of these proposed terms. Given the nature of the collateral, the proposed terms, and the underwriting, a credit decision would be quick.

<b>BORROWER:</b>	Shared Housing Center, Inc.
<b>LOAN AMOUNT:</b>	\$2,000,000.
<b>INTEREST RATE:</b>	Floating rate at WSJ Prime Rate plus 50 basis points; customer rate of 4.50%. This spread is based on a non-prepayment cost of funds.
<b>COLLATERAL:</b>	<p>First mortgage on the real estate and improvements on the property known as the "Green Haus" located at 4611 East Side in Dallas, TX; assignment of all rents, leases, FF&amp;E and all other customary documentation associated with the subject property.</p> <p>First mortgage on the real estate and improvements on the property located at 402 N. Good Latimer Expressway in Dallas, TX; assignment of all rents, leases, FF&amp;E and all other customary documentation associated with the subject property. <b><i>If the value of the Green Haus is enough to satisfy the 75% Loan-to-Value, the existing property will be taken as an abundance of caution.</i></b></p> <p>First priority security interest of all Capital Campaign receivables and a first priority security interest of all Capital Campaign pledge funds deposited an account held at BOT. Borrower will only be permitted to use capital campaign funds to make interest and/or principal payments. All pledges must be promptly deposited into the BOT account.</p>
<b>LOAN FEE:</b>	A non-refundable origination fee of 0.50% to be paid at closing. <i>No additional fees will be paid at renewal.</i>
<b>MATURITY:</b>	Three (3) years from the date of closing.
<b>PAYMENT TERMS:</b>	Monthly interest-only payments with all outstanding principal and accrued interest due at maturity. If the outstanding debt is not paid off within the first 36 months, the Borrower will begin making P&I payments on the outstanding balance based on a 30-year amortization schedule.
<b>GUARANTY:</b>	None.



Community Development Banking  
7060 S. Yale, Suite 301  
Tulsa, OK 74136

Clarence V. Boyd  
Relationship Manager  
(918) 488-7063  
cboyd@bokf.com

CONFIDENTIAL - 3/20/2017

Shared Housing Center, Inc.

**SPECIAL TERMS:**

- Borrower shall provide quarterly financial statements and compliance certificates within 45 days of each fiscal quarter end.
- Borrower shall provide annual financial statements with 120 days of fiscal year end.
- Borrower shall provide monthly report of the Capital Campaign status including pledges collected, outstanding pledges, past due amounts, etc. Pledges past due greater than 90 days will be tracked monthly. An event of default will be triggered should the aggregate amount of past due pledges exceed \$250,000 in any given month.
- Minimum Liquidity. Borrower to maintain cash and/or readily available marketable securities in an amount of no less than \$50,000, to be replenished each year as needed, to be held in accounts with BOT and tested annually.
- Loan closing subject to all property and business entity due diligence, including, but not limited to, the following: credit report and background check, 3<sup>rd</sup> party property appraisal, environmental surveys, title commitment, property condition report on the existing property, etc. *If property condition report notes any material deferred maintenance or issues, Borrower must reserve 115% of cost in BOK operating account.*
- Borrower to provide final Purchase and Sale Contract prior to closing.
- Borrower to provide final renovation budget prior to closing.
- No additional cumulative funded indebtedness in an amount greater than \$100,000 without prior written consent of BOK.
- If the existing facility is leased or sold, Borrower must provide Purchase and Sale Contract or most recent executed Lease Agreement.

Thank you for the opportunity to work with you. The aforementioned terms and conditions will remain valid for up to fourteen (14) days after the stated date of this commitment letter. Please let me know if I can answer any additional questions.

Sincerely,

Clarence V. Boyd  
Community Development Banking Officer  
BOK Financial Corporation dba Bank of Oklahoma

Accepted and acknowledged this 24 day of MARCH, 2017 by:

Ms. Maria Machado, Executive Director  
Shared Housing Center, Inc.

**SHARED HOUSING CENTER**

**GREEN HAUS PHASE II EXPENSES TO DATE**

<b>DESCRIPTION</b>	<b>CHECK</b>	<b>AMOUNT</b>
<b>TOTAL RENAISSANCE CONSTRUCTION</b>	<b>225</b>	<b>\$4,100.00</b>
	<b>226</b>	<b>\$15,000.00</b>
	<b>227</b>	<b>\$11,000.00</b>
	<b>228</b>	<b>\$15,000.00</b>
	<b>229</b>	<b>\$42,250.00</b>
	<b>230</b>	<b>\$14,500.00</b>
	<b>231</b>	<b>\$38,420.00</b>
	<b>232</b>	<b>\$46,185.00</b>
	<b>233</b>	<b>\$45,000.00</b>
<b>Sub-Total</b>		<b>\$231,455.00</b>

<b>DESCRIPTION</b>	<b>CHECK</b>	<b>AMOUNT</b>
<b>John R. Ames, CTA (property taxes for 2016</b>	<b>235</b>	<b>\$4716.33</b>



# SHARED HOUSING CENTER, INC

## Green Haus

### PREDEVELOPMENT EXPENSES

DESCRIPTION	CHECK	AMOUNT
Architect Firm Services		
	171	\$350.00
	181	\$7,110.00
	184	\$4,500.00
	196	\$13,278.00
	198	\$16,371.16
	201	\$4,138.68
	208	\$4,022.83
	209	\$5,442.00
<b>Sub-Total</b>		<b>\$55,212.67</b>

DESCRIPTION	CHECK	AMOUNT
Engineer Firm Services	174	\$4,810.93
	183	\$11,308.35
	188	\$1,578.96
	191	\$2,417.53
	200	\$4,414.83
	203	\$903.98
	205	\$360.00
<b>Sub-Total</b>		<b>\$25,794.58</b>

DESCRIPTION	CHECK	AMOUNT
City of Dallas	170	\$2,690.00
	175	\$1080.00
	189	\$6,522.09
	195	\$300.00
	218	\$3,000.00
<b>Sub-Total</b>		<b>\$13,592.09</b>

**PREDEVELOPMENT EXPENSES** (continued)

DESCRIPTION – Miscellaneous services & expenses	CHECK	AMOUNT
Universal Fence Company	179	\$1800.00
Design/Construction Management Services	180	\$4056.30
Design/Construction Management Services	182	\$3,118.90
GM CARD (reimburse on line registration)	185	\$900.00
Energy IQ	186	\$8,800.00
Barrier Free Texas	190	\$1050.00
Reed Engineering Group	192	\$1,382.50
All Environmental Inc	193	\$1,600.00
Design/Construction Management Services	194	\$5,244.96
Universal Fence Company	197	\$315.00
Ortiz Lawn Care	199	\$200.00
Design/Construction Management Services	202	\$5,191.15
Fidelity National Title	211	\$250.00
D&E Structure Consulting Engineers	216	\$250.00
Jim Hyland (reimburse for copies for bid process)	217	\$511.20
<b>Sub-Total</b>		<b>\$34,670.01</b>

**PHASE I EXPENSES**

DESCRIPTION	CHECK	AMOUNT
ALARCON CONSTRUCTION GROUP	210	\$17,087.07
	212	\$31,392.93
	214	\$21,808.50
	219	\$4,800.00
	221	\$72,990.00
	222	\$16,225.00
	224	\$17,515.00
<b>Sub-Total</b>		<b>\$181,818.50</b>

**SUMMARY OF SUB-TOTALS FOR PRE-DEVELOPMENT EXPENSES**

DESCRIPTION	AMOUNT
Architect	\$55,212.67
Engineer	\$25,794.58
City	\$13,592.09
Miscellaneous	\$34,670.01
Phase I	\$181,818.50
<b>GRAND TOTAL</b>	<b>\$311,087.85</b>

**SHARED HOUSING  
SUBCONTRACTOR AGREEMENT  
GENERAL TERMS**

SUBCONTRACTOR: TOTAL RENAISSANCE CONSTRUCTION & RENOVATIONS  
PHONE NUMBER: 214-395-5554  
EMAIL ADDRESS: RENAISSANCEBUILDER@GMAIL.COM  
EFFECTIVE DATE: 6-3-2016 [MUST BE COMPLETED]

This Subcontractor Agreement ("Agreement") shall govern the relationship between Subcontractor and Shared Housing ("Shared Housing") for any project ("Project") on which Subcontractor provides services to Shared Housing. The description of any work ("Work") to be performed on any Project, any specifics regarding the Work, rules and regulations regarding the Work and the price ("Price") shall be contained on bid sheets, proposals, drawings, specifications, scopes of work, site plans and other documentation governing the Work (collectively, the "Documents"). All Documents are incorporated herein by reference and made a part hereof. The Documents shall be identified as being subject to this Agreement.

Subcontractor and Shared Housing agree as follows:

**1. WORK:**

- (a) Subcontractor shall complete the Work in strict conformity with generally accepted building practices and the Documents. All materials incorporated into the Work shall be new, and the Work shall be completed in a good and workmanlike manner free from defects.
- (b) Subcontractor has examined the Documents and is fully aware of their provisions.
- (c) Subcontractor represents, warrants, and covenants that the Documents are complete and sufficient to enable Subcontractor to determine the Price, to construct the Work and otherwise to fulfill its obligations hereunder. Subcontractor has visited the site and examined the conditions affecting the Work.
- (d) Subcontractor has satisfied itself as to the location of all utilities that may affect or interfere with the Work and agrees to protect all utilities and keep them operational at all times.
- (e) Subcontractor's obligations and warranties shall survive termination of the Agreement with respect to all Work supplied by or through Subcontractor prior to termination.

**2. Time is of the essence.** Subcontractor shall begin the Work on the date designated by Shared Housing and shall proceed diligently to complete the Work in accordance with the schedule set by Shared Housing without delays to Shared Housing or to other subcontractors.

**3. INDEPENDENT CONTRACTOR:**

- (a) Subcontractor is an independent contractor. Subcontractor is not an employee of Shared Housing for any purpose.
- (b) Subcontractor is responsible for the manner, method and means of accomplishing the Work; hiring, training, disciplining, firing and scheduling its own employees; withholding appropriate amounts for federal, state and local taxes; and providing fringe benefits to employees, including, but not limited to, workers' compensation benefits. Shared Housing shall not be liable for any such items. Shared Housing does not have the right to cause Subcontractor to take any disciplinary action against its employees except as specifically provided in this Agreement or to assign work to any of Subcontractor's employees.
- (c) Shared Housing reserves the right to (1) inspect all Work to determine, in good faith, whether the Work has been satisfactorily completed, (2) control access to each Shared Housing work site, (3) schedule Work in a logical sequence or to avoid disturbances, and (4) stop Work for safety reasons or to insure conformity of end product with contracted for results.

**4. SUPPLIER DISCLOSURE:**

(a) Shared Housing may, at its sole discretion, request written verification directly from Subcontractor's suppliers that Subcontractor has paid all bills currently due for materials and/or labor related to Work performed under this Agreement. In the event Subcontractor's accounts with its suppliers or subcontractors are delinquent beyond the supplier's due date, Shared Housing may, at its sole discretion, elect to withhold payment from Subcontractor and pay Subcontractor's suppliers to bring Subcontractor's accounts current. Any residual amount due Subcontractor after outstanding bills with Subcontractor's suppliers and subcontractors have been satisfied will then be paid to Subcontractor.

**5. PAYMENT:**

(a) Shared Housing shall pay Subcontractor [weekly] [biweekly] [monthly] so long as Subcontractor is not in default, upon written certification by Shared Housing's Homebuilding Supervisor that the portion of the Work for which payment has been requested has been completed satisfactorily. Payment shall be in accordance with the Price set forth in the Documents, and with each request for payment, Subcontractor shall submit a list identifying all agents, subcontractors, and suppliers to be paid out of the requested Payment or no Payment will be issued.

(b) Subcontractor agrees to provide notice of price increases to Shared Housing for the longer of completion of current backlog or 120 days. Payment for additions or extra work will be made only pursuant to advance written change orders, which may include purchase orders, signed by Shared Housing's purchasing manager.

(c) Shared Housing, in its sole discretion, may retain any payment or portion thereof and/or offset against future payments due to Subcontractor to assure satisfactory completion of the Work and all service work arising therefrom or to compensate Shared Housing for any damages Shared Housing suffers as a result of Subcontractor's default of this Agreement. Any retained amounts shall be paid to the Subcontractor upon satisfactory final completion of any Work and/or service work applicable for the warranty period.

(d) Subcontractor also certifies that all payments to it from Shared Housing for the Work are trust funds as defined and governed by

(a) Shared Housing requires that Subcontractor maintain minimum insurance coverages as detailed on **Addendum 1**. All insurance policies required shall (i) not contain endorsements that restrict limits of liability to additional insureds; and (ii) have coverage forms acceptable to Shared Housing. If requested, Subcontractor shall provide certified copies of all such policies to Shared Housing within 30 days of such request.

(b) Subcontractor shall maintain all required insurance coverage in force until completion of Work. Subcontractor shall maintain Products and Completed Operations Insurance coverage, including required endorsements, in force until expiration of the applicable statute of limitations relating to latent defects in construction of or improvements to real property.

(c) The use of self-insured retentions or deductibles in excess of \$5,000 is not allowed. Subcontractor is fully responsible for payment of any self-insured retentions or deductibles.

(d) The insurance requirements shall not limit Subcontractor's obligations under this Agreement or Subcontractor's indemnification, warranty obligations or other liability in any manner. The requirements merely represent the minimum amounts of insurance coverage required to be maintained by Subcontractor.

(e) Subcontractor shall provide evidence of the renewal of policies required 30 days in advance of the expiration of any such policy.

(f) If Subcontractor fails to secure and maintain the required insurance, Shared Housing shall have the right (without any obligation to do so, however) to secure same in the name and for the account of the Subcontractor, in which event the Subcontractor shall pay the costs thereof and furnish upon demand all information that may be required in connection therewith.

7. **INDEMNITY AGREEMENT** – TO THE MAXIMUM EXTENT PERMITTED BY LAW, SUBCONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND SHARED HOUSING, ITS OFFICERS, DIRECTORS, EMPLOYEES, SUPPLIERS AND AGENTS ("SHARED HOUSING'S AGENTS") AND THE PROPERTY OF SHARED HOUSING, INCLUDING ANY PROJECT COVERED BY THIS AGREEMENT, FROM ANY AND ALL CLAIMS, COSTS, LOSSES, DAMAGES, FINES, PENALTIES, FEES AND OTHER COSTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND DISPUTE RELATED COSTS (COLLECTIVELY, "SUCH COSTS"), TO THE EXTENT THAT SUCH COSTS ARISE OUT OF, ARE INCIDENTAL TO OR RESULT FROM (A) THE PERFORMANCE OF THE WORK OR SUBCONTRACTOR'S FAILURE TO ENFORCE THE DRUG AND ALCOHOL ADDENDUM AND ARE ATTRIBUTABLE TO BODILY INJURY, PERSONAL INJURY, SICKNESS, DISEASE OR DEATH OF ANY PERSON, INCLUDING ANY INJURY OR DEATH OF AN EMPLOYEE OR OWNER OF SUBCONTRACTOR, OR INJURY TO, DEFECT IN, DAMAGE TO OR DESTRUCTION OF THE WORK OR OF ANY PROPERTY; OR (B) SUBCONTRACTOR'S OR SUBCONTRACTOR'S AGENTS FAILURE TO COMPLY WITH ALL APPLICABLE LEGAL REQUIREMENTS AND (A) OR (B) IS CAUSED BY ANY ACT OR OMISSION OF SUBCONTRACTOR OR ANYONE ACTING FOR, ON BEHALF OF OR THROUGH OR REPRESENTING SUBCONTRACTOR OR SUBCONTRACTOR'S AGENTS OR SUBCONTRACTORS. THIS INDEMNIFICATION IS NOT INTENDED TO COVER THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SHARED HOUSING OR SHARED HOUSING'S AGENTS. SUBCONTRACTOR AGREES THAT A PORTION OF THE PRICE HAS BEEN PAID TO THE SUBCONTRACTOR AS SPECIFIC CONSIDERATION FOR THE INDEMNIFICATIONS REQUIRED OR GIVEN IN ACCORDANCE WITH THIS AGREEMENT AND THAT ALL INDEMNIFICATIONS, WARRANTIES, GUARANTEES AND OBLIGATIONS GIVEN IN ACCORDANCE WITH THIS AGREEMENT OR THE DOCUMENTS SHALL SURVIVE FINAL PAYMENT, COMPLETION AND ACCEPTANCE OF THE WORK AND TERMINATION OR COMPLETION OF THIS AGREEMENT. UNDER NO CIRCUMSTANCES SHALL THE INSURANCE REQUIREMENTS AND LIMITS SET FORTH IN THIS AGREEMENT BE CONSTRUED TO LIMIT SUBCONTRACTOR'S INDEMNIFICATION OBLIGATIONS OR OTHER LIABILITY HEREUNDER.

8. Subcontractor warrants and represents that it is familiar with and covenants to comply with all laws, regulations and rulings of all federal, state, county and municipal jurisdictions and agencies applicable to this Agreement and to the Work, including, without limitation, OSHA, state occupational safety and health laws, workers' compensation laws, minimum wage and overtime laws, employment discrimination laws, building codes and all regulations and rules promulgated thereunder (collectively, the "Legal Requirements"). Subcontractor shall maintain all records required for compliance with the Legal Requirements and will indemnify and save Shared Housing harmless from any damage, fine or penalty which may be assessed against Shared Housing and any attorneys' fees and other costs incurred by Shared Housing by reason of the breach or alleged breach of this section by Subcontractor or Subcontractor's Agents.

(a) At all times, Subcontractor shall:

- (1) conduct, operate and maintain a safe, clean and healthful workplace;
- (2) provide to its employees the protective clothing, equipment, training and safety devices necessary to ensure compliance with relevant Legal Requirements; and
- (3) abide by the Drug and Alcohol Addendum, attached hereto as **Addendum 2**.

(b) To the maximum extent permitted by law, Shared Housing may withhold from payment to Subcontractor the full amount of any fine, damages or penalty assessed or proposed to be assessed against Shared Housing by local, state or federal authorities as well as a sum sufficient to cover any attorneys' fees and costs that are incurred by Shared Housing as a result of Subcontractor's or Subcontractor's Agents or subcontractors' failure to comply with applicable Legal Requirements. When any such amounts are actually assessed and paid by Shared Housing, Shared Housing will release to Subcontractor any excess withheld.

(c) Either Subcontractor or Shared Housing may contest responsibility for Subcontractor's or Subcontractor's Agents or subcontractors' failure to comply with applicable Legal Requirements. Subcontractor shall reimburse Shared Housing up to the full amount of any legal costs and expenses that Shared Housing may incur to contest responsibility, which relates to Subcontractor's or Subcontractor's Agents or subcontractors' failure or alleged failure to comply with applicable Legal Requirements.

**(d) COMPLIANCE WITH APPLICABLE OCCUPATIONAL SAFETY AND HEALTH STANDARDS IS AN EXPRESS CONDITION OF WORK UNDER THIS AGREEMENT.**

**(e) Clean Water Act Compliance.**

1. Subcontractor shall, at all times, work in full compliance with all storm water discharge requirements of any federal, state, county, local or company agency having jurisdiction thereover, including, but not limited to:
  - i. The Federal Water Pollution Control Act, commonly known as the Clean Water Act (CWA);
  - ii. The NPDES Permit pertaining to the site or sites under this Agreement;
  - iii. All county and municipal storm water pollution prevention ordinances;
  - iv. The Stormwater Pollution Prevention Plan (SWPPP) applicable to the site or sites under this Agreement; and
  - v. Shared Housing's erosion and sediment control policy, receipt of which is hereby acknowledged.
2. Subcontractor will be held responsible for fines and/or costs to repair any damage to erosion and sediment control devices caused by its negligence, misconduct or failure to comply with the above-referenced requirements.

9. All Work shall be performed by qualified tradespersons. Shared Housing reserves the right to reject any materials or Work, which do not, in Shared Housing's opinion, comply with the terms of this Agreement. All materials shall be installed in accordance with applicable Legal Requirements and manufacturer's specifications or recommendations.

10. Subcontractor agrees promptly, at its expense, (a) to remedy any defect in the Work due to faulty or unacceptable material or workmanship, (b) to repair or replace any Work not in compliance with the Documents, and (c) to pay any expenses and costs, including legal fees and dispute resolution costs, incurred by Shared Housing as a result of (i) such defect or (ii) any personal injury or damage to other property caused by Subcontractor or Subcontractor's Agents. Subcontractor shall fully cooperate with Shared Housing in responding to any warranty claims. All warranties made by Shared Housing to its homeowner, whether under the Shared Housing warranty or applicable law, are, to the extent applicable, deemed made by Subcontractor by Shared Housing.

11. Subcontractor agrees, at the request of Shared Housing, to take delivery or assume custody of materials purchased by Shared Housing from manufacturers. Risk of loss of all material and equipment supplied by, delivered to or under the custody of the Subcontractor shall be upon the Subcontractor until the Work reaches final completion and is accepted by Shared Housing.

12. Subcontractor shall keep the jobsite free of accumulations of trash and debris. At the conclusion of daily work on any housing unit, Subcontractor shall remove all trash and debris caused by its operations and leave the site broom clean.

13. Subcontractor shall abide by all directives, which Shared Housing may publish from time to time.

14. If Subcontractor fails to perform any of its obligations hereunder, Subcontractor shall be in default. If such default is not cured within two (2) days after oral or written notice, then Shared Housing may pursue any remedy or combination of remedies available at law or equity, including, without limitation: (a) terminating this Agreement; (b) applying any retainage or other amounts due to Subcontractor to cure Subcontractor's defaults or compensate Shared Housing for damages suffered; (c) taking any action necessary to perform the Work by other means, in which case Subcontractor shall upon demand reimburse Shared Housing for any amounts expended by Shared Housing to complete the Work in excess of the Price together with interest from the date paid by Shared Housing to the date reimbursed by Subcontractor at the rate of eighteen percent (18%) per annum or the maximum amount permitted under applicable law; and (d) pursuing an action for damages and recovery of all costs and expenses, including legal fees, incurred by Shared Housing in enforcing this Agreement. All remedies shall be cumulative and not exclusive.

15. Shared Housing may terminate Subcontractor's performance under this Agreement at any time, at the sole option of Shared Housing

17. **BINDING ARBITRATION** – The parties to this Agreement specifically agree that the transactions contemplated herein involve interstate commerce. Except in the event that it would be appropriate for complete resolution of the issues for either party to cross-claim against the other party in a legal action not initiated by either of the parties hereto, any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof shall be settled by binding arbitration conducted by a neutral arbitrator. If the parties do not mutually agree on an arbitrator and the homeowner is not involved in the dispute, the arbitrator shall be selected by the American Arbitration Association at its offices closest to the construction site where the dispute arose. The arbitration shall be conducted according to the American Arbitration Association Construction Arbitration Rules unless the parties agree upon other procedures. The parties agree to (a) allow to join into the arbitration proceeding hereunder or (b) join any other arbitration proceeding being conducted by, persons or entities related to the dispute whose involvement may be necessary to completely resolve the dispute, such as (1) a homeowner, (2) Shared Housing's or Subcontractor's insurers, and (3) Subcontractor's material men or subcontractors. The arbitration shall determine all rights and obligations under this Agreement and the award of the arbitrator shall be final, binding and enforceable. Subcontractor shall include a comparable arbitration provision in all of its subcontracts related to the Work. Should the dispute include any customer or homeowner of Shared Housing the arbitration shall be conducted before the arbitrator named in the warranty documents given by Shared Housing to the homeowner, if any. If no arbitrator has been so designated, or if the named arbitrator is unable or unwilling to conduct the binding arbitration proceedings specified above, the parties agree to work together in good faith to select a mediator and, if all disputes are not resolved by mediation, an arbitrator in the county where the subject property is located. If the parties are unable to agree on the appointment of a mediator and/or arbitrator, any party may petition a court of general jurisdiction in the subject county to appoint a mediator and/or arbitrator. It is stipulated and agreed that the filing of a petition requesting appointment of a mediator and/or arbitrator shall not constitute a waiver of the right to enforce binding arbitration. Shared Housing and Subcontractor agree that notwithstanding anything to the contrary contained herein, the rights and obligations set forth in this paragraph shall survive (1) the termination of this Agreement by either party; or (2) the breach of this Agreement by either party. The waiver or invalidity of any portion of this paragraph shall not affect the validity or enforceability of the remaining portions of this paragraph and/or this Agreement. Shared Housing and Subcontractor further agree (1) that any dispute involving the directors, officers, employees and agents of either Shared Housing or Subcontractor and/or Subcontractor's Agents or subcontractors shall be resolved as set forth herein and not in a court of law; and (2) that Shared Housing shall have the option to include Subcontractor and/or Subcontractor's Agents and subcontractors as a party in any mediation and arbitration between Shared Housing and any customer or client of Shared Housing and, if Shared Housing does opt to include Subcontractor and/or Subcontractor's Agents and subcontractors in such mediation and arbitration, Subcontractor and/or Subcontractor's Agents and subcontractors shall fully participate therein pursuant to the terms of this paragraph. If any party to this Agreement files a proceeding in any court to resolve any such controversy, dispute or claim, such action shall not constitute a waiver of the right of such party or a bar to the right of any other party to seek arbitration of that or any other claim, dispute or controversy, and the court shall, upon motion of any party to the proceeding, direct that such controversy, dispute or claim be arbitrated in accordance herewith.

18. (a) This Agreement (including all Documents incorporated herein) constitutes the entire Agreement between the parties, supersedes any prior negotiations, agreements or contracts, written or oral, between the parties and may not be amended without the written agreement of both parties.

(b) Subcontractor shall have no right to assign this Agreement or its right to payments hereunder.

(c) All plans, drawings, specifications and the subject matter contained therein and all other information given to Subcontractor in connection with the Work ("Proprietary Materials") shall remain the property of Shared Housing and shall not be used by or disclosed to anyone by Subcontractor for any purpose other than performance of the Work. Upon completion of the Work, Subcontractor shall return all Proprietary Materials to Shared Housing.

(d) If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall be construed as if the invalid, illegal or unenforceable portion of the provision had never been contained herein.

(e) This Agreement shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have executed and sealed this Agreement as of the date set forth above.

**SHARED HOUSING:**

**SUBCONTRACTOR:**

Shared Housing,

Total Renaissance Construction & Remodeling

BY: Maria Machado  
NAME: MARIA MACHADO  
TITLE: Executive Director

BY: Tamara S. Highland  
NAME: Tamara S. Highland  
TITLE: President

**SUBCONTRACTOR AGREEMENT**

**SHARED HOUSING**

**ADDENDUM 1**

**INSURANCE REQUIREMENTS**

CERTIFICATES OF INSURANCE, INCLUDING COPIES OF POLICY ENDORSEMENTS LISTED BELOW, EVIDENCING REQUIRED COVERAGE SHALL BE DELIVERED TO SHARED HOUSING PRIOR TO THE COMMENCEMENT OF ANY WORK (SAMPLE CERTIFICATES ATTACHED).

PLEASE DIRECT INSURANCE INQUIRIES TO Damon Trammell AT 912 870-0353

TYPE OF COVERAGE	AMOUNT OF COVERAGE
<p>A. <u>WORKER'S COMPENSATION – and Occupational Disease Coverage in accordance with the laws of the State within whose jurisdiction the work is performed.</u></p> <ul style="list-style-type: none"><li>Coverage to include all employees, agents, officers, partners, and proprietors/owners of Subcontractor.</li><li>The certificate should specify that the insurance company's A.M. Best rating is at least A-/VIII.</li><li>If the services of a leasing company are used to insure its workers' compensation exposure, the following documents must be delivered to Shared Housing before any work can be performed on a Shared Housing job site:<ul style="list-style-type: none"><li>A. One certificate documenting workers' compensation insurance for Subcontractor's employees on Shared Housing's job sites covered through the leasing company.</li><li>B. A second certificate of insurance evidencing that the Subcontractor has purchased its own separate workers' compensation insurance policy for any employees not covered by the leasing company's insurance.</li><li>C. A declaration sheet (the cover page of the insurance policy) from the Subcontractor's own policy.</li></ul></li><li>The workers' compensation policy should be amended to include a 30-day cancellation notice provision in lieu of the standard 10-day cancellation notice provision.</li><li>Workers' compensation carrier shall waive subrogation against Shared Housing and its subsidiaries, affiliated and successor companies, officers, directors, agents, servants, employees, divisions, partners and shareholders.</li></ul> <p><u>EMPLOYER'S LIABILITY</u></p>	<p>Workers Compensation – Statutory</p> <p><u>Employers Liability:</u> \$500,000 Ea. Bodily Injury by Accident \$500,000 Bodily Injury by Disease, Ea. Employee</p>

[CONTINUED ON NEXT PAGE]

TYPE OF COVERAGE	AMOUNT OF COVERAGE
<p><b>B.</b> <u>COMMERCIAL GENERAL LIABILITY – with the following minimum coverage:</u></p> <ul style="list-style-type: none"> <li>• Coverage for all residential building including both attached and unattached projects</li> <li>• Occurrence form not modified</li> <li>• Subsidence, no endorsements limited coverage</li> <li>• Contractual liability coverage included</li> <li>• The Certificates of Insurance must state that Shared Housing and its subsidiaries, affiliated and successor companies, officers, directors, agents, servants, employees, divisions, partners and shareholders are named as Additional Insureds on the Subcontractors' general liability insurance policy.</li> <li>• The additional insured status must be provided only on a CG 2010 (11/85) Additional Insured Endorsement or on a CG 2026 (11/85) Additional Insured Endorsement, or their equivalent.</li> <li>• A copy of the correct Additional Insured Endorsement, as described above, must be attached to the certificate of insurance.</li> <li>• The Additional Insured status will be provided to Shared Housing on a blanket basis for all jobs performed for Shared Housing (not project specific).</li> <li>• The general liability insurance provided must be primary over Shared Housing's insurance and Shared Housing's insurance should not be called upon to contribute toward the payment of any claim arising out of the Subcontractor's work. The Certificate of Insurance must clearly state that the Subcontractor's insurance is "primary and non-contributory" over Shared Housing's insurance.</li> <li>• The Certificate of Insurance should specifically state that the Subcontractor's insurance company's A.M. Best rating is at least A-/VIII.</li> <li>• The general liability policy should be amended to include a 30-day cancellation notice provision in lieu of the standard 10-day cancellation notice provision. The certificate of insurance should so state.</li> </ul> <p>There shall be no endorsements limiting coverage for explosion, collapse, or underground damage, Blanket contractual liability, or Broad Form property damage coverage.</p> <p>There shall be no limitation on the limits available to the additional insureds. Nor shall there be any limitation or exclusions as respects the additional insured coverage for claims involving Bodily Injury of a Subcontractor's employees or of any other third party.</p>	<p>\$1,000,000. General Aggregate Limit (other than Products/Completed Operations)</p> <p>\$1,000,000. Products/Completed Operations Aggregate Limit</p> <p>\$1,000,000. Bodily Injury (Ea. Occurrence)</p> <p>\$1,000,000. Property Injury (Ea. Occurrence)</p> <p>\$1,000,000. Personal Injury &amp; Advertising Injury Limit</p> <p>\$ 50,000. Fire Damage Limit (any one Fire)</p>

TYPE OF COVERAGE	AMOUNT OF COVERAGE
<p><b>C.</b> <u>BUSINESS AUTO LIABILITY – covering any automobile, including hired and non-owned autos</u></p> <ul style="list-style-type: none"> <li>• The certificates of insurance must evidence that Shared Housing and its subsidiaries, affiliated and successor companies and their officers, directors, agents, servants, employees, divisions, partners and shareholders are named as Additional Insureds on the auto liability insurance policy.</li> <li>• The certificate of insurance must reflect that the auto liability insurance insures any vehicle driven by the Subcontractor and its employees.</li> <li>• The certificate of insurance must specify that the Subcontractor's insurance company's A.M. Best rating is at least A-/VIII.</li> <li>• The Subcontractor's auto liability policy should be amended to include a 30-day cancellation notice provision in lieu of the standard 10-day cancellation notice provision.</li> </ul>	<p>\$500,000. Combined Single Limit</p>



**SUBCONTRACTOR AGREEMENT**

**SHARED HOUSING**

**ADDENDUM 2**

**DRUG AND ALCOHOL ADDENDUM**

**FOR THE SAFETY AND WELL BEING OF ALL EMPLOYEES ON SHARED HOUSING CONSTRUCTION SITES, SHARED HOUSING HAS A POLICY THAT NEITHER CONTROLLED SUBSTANCES NOR ALCOHOL SHALL BE DISTRIBUTED, POSSESSED OR USED ON SHARED HOUSING CONSTRUCTION SITES. ANYONE FOUND TO BE IMPAIRED BY OR IN POSSESSION OF CONTROLLED SUBSTANCES OR ALCOHOL MUST IMMEDIATELY LEAVE THE SHARED HOUSING CONSTRUCTION SITE OR PROPERTY.** To help ensure the safety of all workers, including a worker that may be impaired, Subcontractor agrees to adhere to the following procedures:

1. If a Subcontractor suspects that one of the Subcontractor's Agents is impaired by controlled substances or alcohol, Subcontractor is required to investigate and make inquiries of co-workers on the job site to confirm the suspected impairment. If Shared Housing becomes aware that one of the Subcontractor's Agents has been impaired on the job, Shared Housing shall have the right, but not the duty, to request that Subcontractor's foreperson investigate. When such a request is given, orally or in writing, Subcontractor's foreperson shall immediately proceed with such investigation and shall thereafter promptly report the results to the Shared Housing Supervisor. Shared Housing may send formal written notification to the Subcontractor regarding any such situation, a copy of which will be placed in the Subcontractor's file.
2. Any worker who is impaired or reasonably believed to be impaired must be immediately removed from the job site. The Subcontractor must provide transportation for the impaired worker and not allow the impaired worker to drive him/herself from the job and endanger the public.
3. A repeated violation by Subcontractor or any of Subcontractor's Agents of this policy will be cause for immediate termination of this Agreement by Shared Housing, in Shared Housing's sole discretion.

  
Subcontractor's Signature \_\_\_\_\_ Date \_\_\_\_\_



Total Renaissance Construction and Renovations, LLC. was founded in 2009. Our company details:

1. Tamara Hyland, owner
2. Female owned and operated
3. Jim Hyland, construction consultant with over 40 years in industry
4. Tamara Hyland, 25+ years in homebuilding, new home sales and General Real Estate. Texas Real Estate licensee
5. Vendor partners have 100+ years of homebuilding and remodeling experience
6. 2 million in liability insurance
7. Mortgage partnerships
8. Architect partners
9. Green building assistance
10. Energy Savings assistance
11. Design Center
12. Build on Your Lot
13. Ongoing training and Education
14. Construction Materials are donated to Habitat for Humanity
15. To demonstrate our concern for the environment, and as a way of saying thanks to our customers, a tree is planted in a National Forest on their behalf, at the completion of each job. This is done through our affiliation with *Trees for a Change.com*.

**Mission Statement:** The customer experience of Total Renaissance Construction and Renovations is derived from years of working with customers while building and selling new homes. Our focus is for our remodeling and construction professionals to provide excellent follow through and communication, customer appreciation, timely and responsive phone calls and visits, in addition to prompt and competitive bids. These are all part of the Total Renaissance Construction and Renovations' experience.

# Memorandum



DATE May 26, 2017  
TO Councilmember Tiffinni A. Young  
SUBJECT **May 24, 2017 Agenda Item #16- Gateway to Permanent Supportive Housing Program**

Below is the staff response to questions raised on Item #16 from the May 24, 2017 Council agenda.

**Question:** How many individuals are located at each location? What is the maximum allowed at each location?

**Staff Response:** Currently, eight (8) program participants reside at The Way Apartments, eight (8) at The Vineyards at Forest Edge, and five (5) at The Vineyards at the Ranch Apartments. Both Vineyard properties will have up to 25 units, and The Way Apartments has committed 20 units for a total of 70 project-based units. Contingent upon available grant funding, case management capacity, and property vacancies, additional units may be made available for the program.

  
Nadia Chandler Hardy  
Chief of Community Services

cc: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Raquel Favela, Chief of Economic Development & Neighborhood Services  
Jo M. (Jody) Puckett, P.E., Interim Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE May 26, 2017

TO Honorable Mayor and Members of the City Council

SUBJECT **Trinity River Standing Wave**

On Wednesday, May 17, 2017, you were briefed on the Trinity River Standing Wave. Staff is preparing an item tentatively scheduled for the June 14, 2017 Council Agenda for award of a Design-Build contract for the Partial Removal (Option 1).

Should the City Council decide to move forward and award the Design-Build contract for the Partial Removal of the Trinity River Standing Wave, the US Army Corps of Engineers will review the detailed removal plan and give approval before work may commence.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Willis Winters'.

Willis C. Winters, FAIA, Director  
Park and Recreation Department

c: T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Raquel Favela, Chief of Economic Development & Neighborhood Services

Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Chief of Community Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Memorandum



DATE May 26, 2017

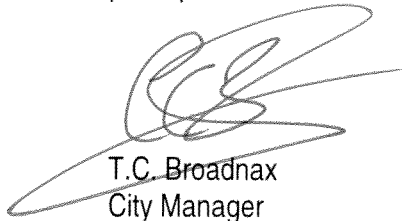
TO Honorable Mayor and Members of the City Council

SUBJECT **Graduation Ceremony for Dallas Police Recruit Class #353**

You are cordially invited to attend the graduation of Recruit Class #353 on Friday, June 2, 2017, at 2:00 p.m. The ceremony will be held at the Hall of State at Fair Park at 3939 Grand Avenue, Dallas, Texas 75210.

At 2:00 p.m., you and stage participants will walk onto the stage to begin the ceremony. All attending City Council members will be recognized at this time.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at [lisette.rivera@dpd.ci.dallas.tx.us](mailto:lisette.rivera@dpd.ci.dallas.tx.us) to RSVP by Tuesday, May 30, 2017. Thank you for your participation.



T.C. Broadnax  
City Manager

cc: Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
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Nadia Chandler Hardy, Chief of Community Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Memorandum



DATE May 26, 2017  
TO Honorable Mayor and Members of the City Council  
SUBJECT **City License Applications**

Attached is a list of the most recent Dance Hall and/or Sexual Oriented Business applications received for the week of May 15-19, 2017 by the Narcotics Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact Sergeant Lisette Rivera, #7947 at (214) 670-4811 and/or by email at [lisette.rivera@dpd.ci.dallas.tx.us](mailto:lisette.rivera@dpd.ci.dallas.tx.us) should you need further information.



T.C. Broadnax  
City Manager

[Attachment]

cc: Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
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# ***Weekly License Application Report***

*May 15, 2017 - May 19, 2017*

<b><i>BEAT</i></b>	<b><i>DIST.</i></b>	<b><i>NAME OF BUSINESS</i></b>	<b><i>ADDRESS</i></b>	<b><i>LICENSE</i></b>	<b><i>STATUS</i></b>	<b><i>LATE HOUR</i></b>	<b><i>DATE</i></b>	<b><i>APPLICANT</i></b>
431	3	EL GRAN RIO PRIVATE CLUB	4444 W. ILLINOIS AVENUE #206	DH-CLASS A	NEW	NO	5/18/2017	SANCHEZ, ALFREDO
534	6	THE SPEARMINT RHINO	10965 COMPOSITE DRIVE	SOB-CABARET	RENEWAL	NO	5/18/2017	VERCHER, KATHY JOANN
344	7	UNDER THE BRIDGE CLUB	5610 S. LAMAR STREET	DH-CLASS A	RENEWAL	YES	5/18/2017	HODGES, STANDARD LEE

***License Definitions:***    ***DH - Class "A" -Dance Hall - Dancing Permitted 3 Days Or More A Week***  
***DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week***  
***DH - Class "C" Dance Hall - - Dancing Scheduled One Day At A Time***  
***DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only***  
***LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00***  
***BH - Billiard Hall - Billiards Are Played***  
***SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult  
Adult Theater / Escort Agency / Nude Model Studio***