



CITY OF DALLAS

## Memorandum

DATE November 30, 2007

TO Honorable Mayor and Members of the City Council

SUBJECT Operations/Management of the Homeless Assistance Center

You will be briefed on the Operations/Management of the Homeless Assistance Center by the Environmental and Health Services Department at your December 5, 2007 meeting. A copy of the briefing is attached for your review.

David O. Brown  
Interim Assistant City Manager  
Attachment

c: Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Thomas P. Perkins, City Attorney  
Craig D. Kinton, City Auditor  
Judge Jay Robinson  
Ryan S. Evans, First Assistant City Manager  
Jill E. Jordan, P.E., Assistant City Manager  
Ramon F. Miguez, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
David K. Cook, Chief Financial Officer  
Chandra Marshall-Henson, Assistant to City Manager

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# Operations/Management of the Homeless Assistance Center

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December 5, 2007



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# PURPOSE

- Provide the Mayor and Council with information on the components of the contract with Metro Dallas Homeless Alliance (MDHA) to operate/manage the Homeless Assistance Center

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# Background

- Council authorized the negotiation of a contract with Metro Dallas Homeless Alliance in accordance with the term sheet stating the terms and conditions of a Phase II management services contract for the transition of operations, programming, and management of the Homeless Assistance Center on August 8, 2007, by Resolution No. 07-2198

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# Background

- Briefed the City Council on the Homeless Assistance Center, to include the term sheet for operations and management on August 1, 2007
- Authorized a management services contract with Metro Dallas Homeless Alliance to plan for Phase I of the transition of operations and programming on May 23, 2007, by Resolution No. 07-1556
- Briefed the Quality of Life Committee on May 14, 2007, regarding the operational plans, fundraising, and budget issues relating to the Homeless Assistance Center.

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# Contract Administration

- This contract shall be administered by the Director of Environmental and Health Services (EHS)
  - MDHA will work with the EHS Director, his, or her designee, and shall perform all related tasks required in order to fulfill the purpose of this contract

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# Terms of the Contract

- Initial contract term begins December 12, 2007 and ends September 30, 2015
  - At the end of the initial term, the City may renew the contract for two additional periods of 5 years each subject to Council approval and future appropriations
    - First renewal term would be October 1, 2015 to September 30, 2020
    - Second renewal term would be October 1, 2020 to September 30, 2025

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# City's Relationship to MDHA

- City is the sole owner of the property at 1818 Corsicana Street, Dallas, Texas 75201 also known as the Homeless Assistance Center
- All property, supplies, or materials purchased with City funds belong to the City and upon termination of the contract shall be returned to the City on request
- MDHA is an independent contractor and is not an agent or employee of the City



# Budget April 07 thru September 08

<b>MDHA Expenditures</b>	<b>All Services</b>	<b>Day Shelter</b>	<b>Pavilion</b>	<b>Respite Care Housing</b>	<b>Interim Housing</b>	<b>Work-Live Housing</b>
Salaries and Benefits	2,043,216	878,583	878,583	40,864	183,889	61,296
Supplies and Materials	689,460	296,468	296,468	13,789	62,051	20,684
Other Services and Charges	138,600	59,598	59,598	2,772	12,474	4,158
<b>SubTotal</b>	<b>2,871,276</b>	<b>1,234,648</b>	<b>1,234,648</b>	<b>57,426</b>	<b>258,415</b>	<b>86,138</b>
Administrative Fees	319,031					
<b>Total MDHA Expenditures</b>	<b>3,190,306</b>					
<b>City of Dallas Expenditures</b>						
City of Dallas	2,233,214					
MDHA Expense	957,092					
<b>Total HAC Expenditures</b>	<b>3,190,306</b>					
Staffing	114					
<b>Revenues</b>						
City of Dallas	2,233,214					
MDHA						
Corporations	116,955					
Dallas County	500,000					
Faith-Based Organizations	116,955					
Foundations	467,819					
Individuals	233,910					
Total MDHA	1,435,639	(includes Cash reserve of 478,547)				
<b>Total Operating Revenues</b>	<b>3,668,853</b>	(includes Cash reserve of 478,547)				

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# Budget Submission

- After year one of the contract term, by February 1<sup>st</sup> of each ensuing year, MDHA will submit a proposed comprehensive plan for operation and a detailed operating budget for the following contract year
  - The budget will follow the City's financial year and will be subject to the City's approval process, comment period, and consideration by City Council Committees and the City Council

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# City's Contribution to HAC Operations

- In year one, from December 12, 2007 to September 30, 2008, the City's contribution shall not exceed \$2,233,214
  - In addition, the City shall make a one time payment of \$440,000 for transitional and training costs
- In years 2-4 of the contract, the City's contribution shall not exceed the lesser of \$3.5 million or 70% of the total approved budget for that year of HAC operations

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# MDHA Contribution to HAC Operations

- In year one, from December 12, 2007 to September 30, 2008, MDHA shall contribute a minimum of \$957,092
  - This amount is a minimum of 30% of the total approved budget for that year of HAC operations
  - MDHA's contribution will remain at a minimum of 30% of the total approved budget in years 2 – 4 of the contract term
  - MDHA's contribution will remain at a minimum of 40% of the total approved budget in years 5 – 8 of the contract term

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# Quarterly Payments to MDHA

- With the commencement of HAC operations, MDHA will be paid a quarterly advance, based on the projected monthly expenses from the annual budget
  - For each quarter, the payment to MDHA will be based on a pro rata share of MDHA's required percentage contribution for that year

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# MDHA Proof of Funds

- Prior to commencement of the contract term, MDHA shall provide proof of funding needed to fulfill its contracted obligation for HAC expenses
  - MDHA will maintain a three month cash reserve for operations that must be fully funded throughout the contract term
  - MDHA will maintain separate accounts for operating funds and cash reserves

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# Process to Sell Naming Rights

- Dallas City Council has the right to approve the sale of naming rights to the HAC
  - A process and criteria for naming rights agreements with donors will be presented to the City Council for review and approval prior to the execution of naming rights agreements with donors
  - Council sets the policy
- The City Manager will have sole right to approve names suggested for the HAC
  - City Manager implements the policy

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# Insurance Requirements for MDHA

Recommendations for insurance as reviewed and set by Risk Management

- Worker's Compensation
  - \$100,000 per accident with policy aggregate of \$500,000.
- Business Automobile Liability covering owned, hired, and non-owned vehicles
  - \$500,000 per occurrence
- Commercial General Liability
  - \$3,000,000 per occurrence, \$3,000,000 general aggregate
- Professional Liability
  - \$1,000,000 per claim with annual aggregate of \$1,000,000
- Security Guard Services Liability
- Insurance also required from MDHA contractors



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# Termination of Contract

- If contract is terminated for whatever reason
  - Any money raised for the operation of the HAC and not obtained from naming rights shall be used to fund both the MDHA's and the City's contributions
  - The funding will be used for the remainder of the City's fiscal year

or

- Six months after the date of termination of the contract, whichever period of time is greater
- Naming rights funds revert to the City for HAC operations

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# MDHA 07-08 Actual Commitments to Date

- Dallas County           \$500,000 \*
- Individuals             \$755,000
- Foundations            \$1,100,000
- Total Revenues        \$2,355,000
- Includes funding for the Homeless Assistance Center
- MDHA is also committed to raising funds to address other homeless activities needed to end chronic homelessness by 2014

\* Negotiations in Progress

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# Next Steps

- Approve Agenda Item on December 12, 2007

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# Appendix

April 2008-September 2008 Homeless Assistance Center Budget

Homeless Assistance Center Expenses						
	1st Year Expenses					
Day Shelter	\$1,234,648					
Pavilion	\$1,234,648					
Respite Care Housing	\$57,426					
Interim Housing	\$258,415					
Work-Live Housing	\$86,138					
Administrative Fee	\$319,031					
Total 1st Year Expenses	\$3,190,306					
City of Dallas 1st Year Expenses	\$2,233,214					
MDHA Reserves	\$478,546					
MDHA 1st Year Expenses	\$1,435,638					
Care and Housing Expenses						
	1st Year Expenses	Day Shelter	Pavilion	Respite Care Housing	Interim Housing	Work-Live Housing
Educational & Recreational Supplies	\$6,000	\$2,580	\$2,580	\$120	\$540	\$180
Identity Documents	\$18,000	\$7,740	\$7,740	\$360	\$1,620	\$540
Transit Passes	\$6,000	\$2,580	\$2,580	\$120	\$540	\$180
6 Care & Housing Managers	\$138,153	\$59,406	\$59,406	\$2,763	\$12,434	\$4,145
6 Triage Staff	\$138,153	\$59,406	\$59,406	\$2,763	\$12,434	\$4,145
12 Case Managers	\$245,607	\$105,611	\$105,611	\$4,912	\$22,105	\$7,368
Educational & Recreational Manager	\$20,467	\$8,801	\$8,801	\$409	\$1,842	\$614
48 Engagement Staff	\$736,818	\$316,832	\$316,832	\$14,736	\$66,314	\$22,105
Total 1st Year Expenses	\$1,309,198	\$562,955	\$562,955	\$26,184	\$117,828	\$39,276
City of Dallas 1st Year Expenses	\$916,438	\$394,068	\$394,068	\$18,329	\$82,479	\$27,493
MDHA 1st Year Expenses	\$392,759	\$168,886	\$168,886	\$7,855	\$35,348	\$11,783
Meals Expenses						
	1st Year Expenses	Day Shelter	Pavilion	Respite Care Housing	Interim Housing	Work-Live Housing
Food	\$566,460	\$243,578	\$243,578	\$11,329	\$50,981	\$16,994
Food Supplies	\$3,000	\$1,290	\$1,290	\$60	\$270	\$90
4 Food Service Managers	\$71,636	\$30,803	\$30,803	\$1,433	\$6,447	\$2,149
8 Food Service Staff	\$122,804	\$52,806	\$52,806	\$2,456	\$11,052	\$3,684
Total 1st Year Expenses	\$763,900	\$328,477	\$328,477	\$15,278	\$68,751	\$22,917
City of Dallas 1st Year Expenses	\$534,730	\$229,934	\$229,934	\$10,695	\$48,126	\$16,042
MDHA 1st Year Expenses	\$229,170	\$98,543	\$98,543	\$4,583	\$20,625	\$6,875
Operations Expenses						

April 2008-September 2008 Homeless Assistance Center Budget

	1st Year Expenses	Day Shelter	Pavilion	Respite Care Housing	Interim Housing	Work-Live Housing
Automobile Gasoline	\$3,000	\$1,290	\$1,290	\$60	\$270	\$90
Automobile Maintenance	\$3,000	\$1,290	\$1,290	\$60	\$270	\$90
Cleaning Services	\$18,000	\$7,740	\$7,740	\$360	\$1,620	\$540
Cleaning Supplies	\$18,000	\$7,740	\$7,740	\$360	\$1,620	\$540
Insurance	\$6,000	\$2,580	\$2,580	\$120	\$540	\$180
Lawn Care	\$6,000	\$2,580	\$2,580	\$120	\$540	\$180
Maintenance	\$72,000	\$30,960	\$30,960	\$1,440	\$6,480	\$2,160
Office Supplies	\$12,000	\$5,160	\$5,160	\$240	\$1,080	\$360
Pest Control	\$600	\$258	\$258	\$12	\$54	\$18
Postage	\$3,000	\$1,290	\$1,290	\$60	\$270	\$90
Staff Training	\$6,000	\$2,580	\$2,580	\$120	\$540	\$180
Standard Mileage Rates	\$3,000	\$1,290	\$1,290	\$60	\$270	\$90
Utilities (Electricity & Water)	\$72,000	\$30,960	\$30,960	\$1,440	\$6,480	\$2,160
Waste Management	\$6,000	\$2,580	\$2,580	\$120	\$540	\$180
Director	\$47,663	\$20,495	\$20,495	\$953	\$4,290	\$1,430
Assistant Director	\$28,143	\$12,101	\$12,101	\$563	\$2,533	\$844
4 Night Managers	\$92,102	\$39,604	\$39,604	\$1,842	\$8,289	\$2,763
Business Manager	\$23,026	\$9,901	\$9,901	\$461	\$2,072	\$691
Facility Manager	\$23,026	\$9,901	\$9,901	\$461	\$2,072	\$691
Assistant Facility Manager	\$20,467	\$8,801	\$8,801	\$409	\$1,842	\$614
Volunteer Manager	\$23,026	\$9,901	\$9,901	\$461	\$2,072	\$691
Administrative Assistant	\$20,467	\$8,801	\$8,801	\$409	\$1,842	\$614
Total 1st Year Expenses	\$506,518	\$217,803	\$217,803	\$10,130	\$45,587	\$15,196
City of Dallas 1st Year Expenses	\$354,563	\$152,462	\$152,462	\$7,091	\$31,911	\$10,637
MDHA 1st Year Expenses	\$151,955	\$65,341	\$65,341	\$3,039	\$13,676	\$4,559

April 2008-September 2008 Homeless Assistance Center Budget

Safety Expenses	1st Year Expenses	Day Shelter	Pavilion	Respite Care Housing	Interim Housing	Work-Live Housing
6 Safety Managers	\$107,454	\$46,205	\$46,205	\$2,149	\$9,671	\$3,224
12 Safety Staff	\$184,206	\$79,209	\$79,209	\$3,684	\$16,579	\$5,526
Total 1st Year Expenses	\$291,660	\$125,414	\$125,414	\$5,833	\$26,249	\$8,750
City of Dallas 1st Year Expenses	\$204,162	\$87,790	\$87,790	\$4,083	\$18,375	\$6,125
MDHA 1st Year Expenses	\$87,498	\$37,624	\$37,624	\$1,750	\$7,875	\$2,625
Homeless Assistance Center Revenue	1st Year Revenue					
City of Dallas	\$2,233,214					
Corporations	\$116,955					
Dallas County	\$500,000					
Faith-Based Organizations	\$116,955					
Foundations	\$467,819					
Individuals	\$233,910					
Total 1st Year Revenue	\$3,668,852					