



2008 Annual Awards Program

Program Excellence Awards Nomination Form

Deadline for Nominations: March 14, 2008

Complete this form and attach to your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (select only one)

- Community Health and Safety
- Community Partnership
- Community Sustainability
- Strategic Leadership and Governance

Name of program being nominated: Family Economic Success Program

Jurisdiction where program originated: City of San Antonio, Texas

Jurisdiction population: 1,312,286

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented by or before January 31, 2007 to be eligible. The start date should not include the initial planning phase.)

Month: January Year: 2002

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Richmond, Virginia, September 2008. (Each individual listed MUST be an ICMA member to be recognized.):

Name: Sheryl Sculley

Title: City Manager Jurisdiction: City of San Antonio

Name: Frances A. Gonzalez

Title: Assistant City Manager Jurisdiction: City of San Antonio

Name: _____

Title: _____ Jurisdiction: _____

SECTION 2: Information About the Nominator/Primary Contact

Name of person who should be contacted with questions regarding the nomination:

Dennis J. Campa

Title of nominator: Director Jurisdiction of nominator: City of San Antonio

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City: San Antonio State/Province: Texas

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Problem Assessment: Family economic success exists when families have sufficient and predictable resources to meet basic family needs, provide for emergencies, and build assets that grow with the family over time. According to the Center for Public Policy Priorities, 70% of families with children that live below the poverty line are working families and 60% of all workers in San Antonio earn less than \$9 per hour.

San Antonio is faced with a poverty rate of 18.5% and census estimates indicate that there were over a quarter of a million households in San Antonio living at or below 200% of the poverty level, representing nearly half (47.8%) of all households. Despite being engaged in the workforce, many of these families are experiencing significant economic distress.

Using data from the Brookings Institution, more than 48,000 families qualified for the Earned Income Tax Credit in 2007 but did not claim it, resulting in an estimated loss of \$98.4 million in refunds. It is also estimated that commercial tax preparation fees totaled \$24.1 million for those who did claim the EITC, and Refund Anticipation Loan (RAL) fees added another \$6.0 million negative economic impact. Increasing the EITC participation rate, having EITC returns prepared at no cost and avoiding predatory rate RALs would have improved the economic situation of working families in San Antonio by an estimated \$128.5 million in 2007. Increased participation by eligible taxpayers must be addressed in order to improve family economic success.

Acquiring lifetime assets is out of financial reach for most low and moderate income working families without financial assistance. Asset leveraging programs, such as the Individual Development Account matched savings program, are sorely needed as a mechanism to lift families out of poverty and onto the road of wealth building.

For families that are able to achieve the American dream of homeownership, retention of their home may become difficult because of changes in marital status, employment, family size, income, credit and a host of other life issues. In today's economy there are organizations that consciously attempt to strip families of their wealth for their own financial gain. These families need advice and guidance from a trusted source. Certified counselors are needed to help homeowners understand the rigors of homeownership and the financial and legal options they have if ownership is threatened.

For the majority of these families there are few opportunities to achieve home ownership, post-secondary education or to acquire and keep other assets that will lead to family wealth. Clearly, programs are needed to help these families become financially literate and seize program opportunities that will help them to increase their income, reduce debt, acquire assets and protect the ones they have.

Program Implementation and Costs: As a result of these factors, the City of San Antonio (COSA), through its Department of Community Initiatives (DCI), developed the Family Economic Success (FES) program to ensure that individuals and families have access to programs and supports that help them to improve their financial well-being. Three principal programs comprise the FES initiative: Volunteer Income Tax Assistance (VITA), Individual Development Accounts (IDA), and Certified Housing Counseling, with financial literacy education embedded in all three. FES program leadership recognized, at the onset, that the complex nature of financial well-being requires a comprehensive, coordinated community response. Accordingly, in 2002, COSA formed the San Antonio Coalition for Family Economic Progress in concert with the Internal Revenue Service, Annie E. Casey Foundation, United Way and Catholic Charities to begin to build a community program infrastructure that would support

City of San Antonio, Department of Community Initiatives, Family Economic Success Program

the three strategies of the FES initiative. These charter partners have since created or expanded relationships with more than twenty-five other organizations including four community colleges, three universities, other governmental entities, numerous non-profit organizations, faith-based organizations, national and local financial institutions, for-profit corporations, community advocates, and several foundations. These organizations have tremendously expanded our capacity to offer families comprehensive services and opportunities in the area of family economic success.

Through a coordinated campaign, the coalition helps working families claim the Earned Income Tax Credit (EITC) and all other tax credits for which they are eligible – free of charge. VITA also reduces the use of expensive predatory RALs by offering a no-cost Alternative Refund Anticipation Loan. Additionally, VITA connects families to mainstream financial services and other benefits and work supports via federal, state and local programs.

The IDA program is a four-to-one matched savings initiative that encourages working families to build assets that gain value over time. Funds may be used to capitalize a small business, for post-secondary education or for first-time home buyers. Three financial institution partners hold the participant accounts and provide portions of the required financial literacy education to program participants. Local match funding partners include numerous banks, several foundations, a mortgage lender, community based organizations, United Way and the City of San Antonio. Partnerships with numerous non-profit agencies provide resource and referral capacity for case management and recruitment of participants.

To help families prepare for the purchase of a home, the Housing Counseling Program offers families pre-purchase counseling and budgeting by HUD certified counselors. Current homeowners experiencing difficulties retaining their home, especially those who are in danger of

City of San Antonio, Department of Community Initiatives, Family Economic Success Program foreclosure, receive post-purchase counseling to understand all options that are available to them. Additionally, seniors contemplating use of a reverse mortgage may receive certified counseling from program caseworkers to insure that they understand all of the financial implications.

For 2007, the direct and indirect cost to provide VITA, IDA, certified housing counseling and financial literacy services, excluding in-kind and IDA match funding, is approximately \$1,000,000. Additionally, for the seven years ending December 2007, a total of \$1,500,000 has been raised in match funding for the IDA program.

Measurable Outcomes: Since 2002, the number of tax returns completed through the coalition has increased by more than 3,000%. In 2007, the coalition returned \$53.5 million to 34,483 working families at 27 community locations and saved taxpayers an estimated \$6.8 million in tax preparation fees. San Antonio was only second to New York City in the number of tax returns prepared by a local VITA coalition. The coalition also provided zero percent interest alternative RALs to 1,130 taxpayers, saving them more than \$150,000 in loan fees.

A total of 404 families have completed the IDA program as of December 2007, with 173 families purchasing homes valued at more than \$19 million. An additional 306 families used their IDA funds to pursue post-secondary education and 22 have started a small business. Further, the relationships developed with financial institutions to implement the VITA and IDA programs have also facilitated the provision of financial education to more than 6,500 residents in 2007 through our local learning centers.

The Housing Counseling component of FES not only counseled 1,084 homeowners during 2007 but outreached to an additional 3,161 current or potential homeowners with educational presentations and materials. Additionally, they prevented the foreclosure of 209 homes by providing mortgage assistance to the owners.

Lessons Learned: Early on, the coalition realized that growing FES would require developing creative and strategic partnerships in order to reach the target populations for each program. As the coalition grew, we learned that partnerships would have to include entities that were existing front-line service providers to the demographic markets being targeted and we also learned to engage providers of mainstream banking services not only for potential funding but to provide the much needed financial literacy component. We also recognized that because the FES program was designed to produce quantifiable results we needed some early successes in order to garner additional funding. We also learned that many of the organizations that we met with lacked the organizational capacity to provide any significant volume of service. Accordingly, coalition leaders realized that funding would be needed to improve the capacity of some partners.

We learned that even though the IDA program would produce impressive results, sources of funding were extremely tight. Because large sources of funding were not evident, a different strategy was developed that sought funding in increments of as small as \$5,000. We also realized that an economic argument could be made to City Council members to improve the financial well-being of their constituents. As a result, several council members used a portion of their human development services fund to provide match funding for the program.

During the first few years of the program, we also learned that although some families could save regularly for the purchase of a home, several were unable to purchase a home due to credit issues. As a result, we formed relationships with non-profit housing organizations and began requiring participants to complete pre-purchase counseling before enrolling in an IDA.

The overall experience to date has taught us that there must be a great diversity in the membership of the coalition and that the structure and strategies must be evaluated not less than yearly and modified as necessary to provide efficient and effective FES services.