

Memorandum



CITY OF DALLAS

DATE September 12, 2017

TO Members of the Economic Development Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Renewal of Contract with Foundation Communities, Inc. to Administer a Volunteer Income Tax Assistance Program for Low Income Households**

Summary

Last year the City contracted with Foundation Communities, Inc. to provide free tax help to low income Dallas households. That contract expires on September 30, 2017. Staff recommends a one-year renewal of the contract and an increase in the contract amount of \$200,000 in order to continue providing this service to low income Dallas households during the 2017-18 tax season.

Background Information

Foundation Communities, Inc. just completed its first year of providing a city-wide program for free tax assistance with a secondary goal of enhancing financial literacy by using the Earned Income Tax Credit (EITC) as the anchor for wrap-around services. This program scope aligns with the recommendations from the Mayor's Task Force on Poverty's briefing to City Council to develop an awareness campaign to get more people to VITA sites.

The VITA program offers free tax assistance to households earning less than \$55,000. The program operates at 7 sites throughout the City, 6 days each week and 6-8 hours each day. Last year the VITA program provided free tax assistance to 8000 Dallas tax filers. Approximately 25% of the tax returns completed through the VITA program claimed the Earned Income Tax Credit (EITC). Additionally, over 650 individuals requested referrals for financial education classes or one-on-one financial coaching sessions with a partner agency.

If the City's contract with Foundation Communities, Inc. is extended, the agency intends to prepare 9,500 tax returns within the City of Dallas during the 2017-18 tax season. Foundation Communities will operate a minimum of 7 locations in the City dedicated to tax preparation, hire a volunteer coordinator, and offer a robust marketing program. At least 50% of the program's seasonal positions will be filled

by employees who are bilingual. Sites will be open from mid-January through the tax deadline in April of 2018.

Foundation Communities will operate 2 year-round sites for on-going assistance at Habitat for Humanity and North Dallas Shared Ministries. Each site location recruits at least 50 active volunteers, secures and maintains appropriate and sufficient equipment, and hires and manages paid staff to ensure proper coverage. All returns completed are reviewed by experienced staff and volunteers for quality control purposes.

Additionally, Foundation Communities will continue to emphasize financial literacy and coaching by referring tax clients to financial coaching sessions, and assisting clients with establishing savings accounts and purchasing savings bonds. During the previous tax season 6,684 clients completed a survey to assess desired client referrals. The most common request was for savings assistance. The savings account program offers clients the opportunity to establish or add to a savings account meant for use during financial emergencies or to deal with an unanticipated expense. The DallasSaves program will offer matching funds that provide up to a variable match as an incentive to families who set aside between \$50 and \$500 of their tax return through the tax return process and maintain the balance for one year. The match schedule is as follows: \$50-249 savings provides a \$50 incentive; \$250-499 savings provides a \$100 incentive; \$500+ savings provides a \$200 incentive.

Issue

The City's existing contract with Foundation Communities, Inc. will expire on September 30, 2017. Staff recommends that the City renew the contract for a one year term, from October 1, 2017 to September 30, 2018, and increase the contract amount by \$200,000. The total VITA program cost for the upcoming year is approximately \$584,000. City funds will provide up to \$200,000 of that program cost.

Alternatives

If the contract is not renewed, Foundation Communities would reduce the scope of the VITA program by either offering fewer sites or by eliminating the financial literacy or savings program, or a combination of these options.

Coordination

The Office of Economic Development has worked with Dallas Public Libraries to help coordinate volunteers and support the mymoneydfw.com website to provide a coordinated information for tax preparation assistance. Dallas Public Libraries

hosts the AARP's tax assistance program, which offer free tax assistance, primarily to those 55 and older.

Fiscal Impact

\$200,000 of current year funds.

Recommendation

Staff recommends approval of a one year renewal term for the contract, beginning on October 1, 2017 and ending on September 30, 2018, and (ii) an increase in the total contract amount of \$200,000.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela
Chief of Economic Development and Neighborhood Services

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| C: The Honorable Mayor and Members of the City Council | Jon Fortune, Assistant City Manager |
| T.C. Broadnax, City Manager | Jo M. (Jody) Puckett, Assistant City Manager (Interim) |
| Larry Casto, City Attorney | Joey Zapata, Assistant City Manager |
| Craig D. Kinton, City Auditor | M. Elizabeth Reich, Chief Financial Officer |
| Biliera Johnson, City Secretary (Interim) | Nadia Chandler Hardy, Chief of Community Services |
| Daniel F. Solis, Administrative Judge | Theresa O'Donnell, Chief of Resilience |
| Kimberly Bizer Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors |
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SUBJECT **Renewal of Grant Agreement with World Affairs Council of Dallas/Fort Worth**

Summary

The City's current grant agreement with World Affairs Council of Dallas/Fort Worth expires on September 30, 2017. The World Affairs Council provides international protocol services to the City. Staff recommends renewal of the agreement for the period October 1, 2017 through September 30, 2018, and an increase in the total grant amount by \$250,000.

Background Information

Since 2003, the World Affairs Council of Dallas/Fort Worth has provided international protocol support to the City of Dallas, including marketing, promotion, fundraising, and event planning to showcase the City as an international destination for business and tourism. The World Affairs Council of Dallas/Fort Worth's responsibilities include:

- Work with the Office of the Mayor, City officials, the diplomatic corps and other international stakeholders to expand trade and consular representation in Dallas.
- Support the Office of Economic Development in the promotion and attraction of foreign companies and trade delegations to Dallas.
- Leverage relationships with existing DFW businesses, regional partners, and current foreign partners to heighten awareness of DFW as a global destination.
- Manage the Sister Cities International (SCI) program and support the City in the development of global city partnership programs.
- Provide protocol and logistical support for international delegations visiting Dallas.
- Develop fundraising initiatives to support international activities.

World Affairs Council of Dallas/Fort Worth has received annual grants from the City to fund the City of Dallas Protocol Office. The grant agreement provides funding to pay for salaries of two full time persons to work exclusively for the City of Dallas, plus a portion of the salaries and overhead of the executive staff of the World Affairs Council of Dallas/Fort Worth.

Issue

The current term of the contract will expire on September 30, 2017. Staff recommends (1) authorization of the second renewal term of the contract, to commence on October 1, 2017 and end on September 30, 2018, and (2) an increase in the total contract amount from \$437,500 to \$687,500. The \$250,000 increase is to be funded from Public/Private Partnership funds (\$200,000) and Current Funds (\$50,000).

Alternatives

If funding is not approved, international protocol services would not be provided to the City of Dallas.

Coordination

N/A

Fiscal Impact

\$250,000 total cost, to be funded by Public/Private Partnership funds (\$200,000) and Current Funds (\$50,000).

Recommendation

Staff recommends approval of the one-year renewal and \$250,000 increase in the contract amount.

Should you have any questions, please contact me at (214) 671-5257.



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