

Memorandum



CITY OF DALLAS

DATE September 20, 2017

TO Honorable Mayor and Members of the City Council

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

Summary

At the September 18, 2017 Economic Development and Housing Committee meeting, additional information was requested regarding the agenda item to authorize the first of two service contract renewals to Foundation Communities to administer a Volunteer Income Tax Assistance Program (VITA) for low to moderate income families or individuals citywide. As requested by the committee, the information is included below and made available through the Quality of Life Committee on September 25, 2017 prior to City Council consideration on September 27, 2017.

Background Information

Foundation Communities, Inc. just completed its first year 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 families and individuals who make less than \$55,000 a year. The program operates at seven sites, 6 days a week, and 6-8 hours a day. Last year the VITA program provided free tax help to over 8000 Dallas taxpayers. 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.

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In the 2016-17 tax season, the following sites were Foundation Communities VITA sites.

Council District	Location	Address	Number of Returns
6	Habitat for Humanity	2800 N Hampton Road, Dallas, TX 75212	2752
6	North Dallas Shared Ministries	2875 Merrell Road, Dallas, TX 75229	2136
7	First Community Church	9120 Ferguson Rd, Dallas, TX 75228	1351
10	Catholic Charities	9461 Lyndon B Johnson Fwy, Dallas, TX 75243	915
2	St. Luke's UMC	5710 E R L Thornton Fwy, Dallas, TX 75223	860
8	UNT-Dallas	7300 University Hills Blvd, Dallas, TX 75241	652
3	Concord Church	6808 Pastor Bailey Dr, Dallas, TX 75237	293

Dallas residents from every Council district visited a Foundation Communities VITA site, with the most residents coming from districts 6, 1 and 3. Complete information is below.

District	Number	Percent of Overall
1	681	9.66%
2	569	8.07%
3	665	9.43%
4	604	8.57%
5	519	7.36%
6	1,049	14.88%
7	610	8.65%
8	541	7.67%
9	482	6.84%
10	282	4.00%
11	279	3.96%
12	399	5.66%
13	275	3.90%
14	95	1.35%
Unassigned	397	N/A

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 seven (7) site 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.

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Foundation Communities will operate two (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 what referrals the clients wanted. The most common response was 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 (up to \$200) 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.

The recommended funding amount would provide a continuation of a seven-site Foundation Communities VITA program.

The members of the Economic Development and Housing Committee inquired as to whether any of the assistance centers could be relocated to other sites around the City. Listed below are site considerations that Foundation Communities evaluates when looking at new or additional sites.

- Available to provide large space at no cost which can hold a minimum of 8 workstations (can be either separate offices or large room with minimum of 8 - 4ft/6ft tables as workstations/desks) with space available for privacy between workstations plus waiting area holding up to a minimum of 30 people
- Site locations are to be open 6 days a week for a minimum of 40 hours a week, typical hours of service are from 1pm – 7pm as public hours, but open to staff from 12pm – 9:30pm with available time for last clients and end of day cleaning of area
- Provide locking area/room for laptop storage and private personal information
- Provide chairs and tables in waiting area
- Access to stable Wi-Fi network
- High percentage of low- to moderate-income individuals/families within a close radius of the site location
- Evening hours available until 10pm and potentially to midnight during peak times (January 25-February 15th and April 1-April18) and on specific days, depending on client flow

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- Accessible to public transportation, preferably on a DART Line or within a close distance to a public transportation
- Public restroom access that is ADA compliant for staff and clients
- Accessibility to locking cabinet within a locked room for CTC/VITA Staff work area and storage of equipment and sensitive personal information
- Parking access for staff and clients
- More than 5 miles from a current CTC/VITA site location
- CTC/VITA Staff availability with full access to building and facilities with keys and/or badges
- Security onsite, if necessary

Foundations Communities staff is available to discuss potential new site locations with Council Members. If you need assistance scheduling a meeting with Foundations Communities, please contact Robin Bentley at (214) 671-9942.

A summary of the final results of the 2017 Foundation Communities VITA program is attached at the end of this memo.

Issue

The City's existing contract 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 program cost for the upcoming year is approximately \$584,000. City funds will provide up to \$200,000 of that program cost.

Alternatives

Foundation Communities would reduce the scope of the VITA program, by either offering fewer sites or no financial literacy or savings program, or a combination of the two.

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 host the AARP's tax assistance program, which offers free tax assistance at libraries across the City, primarily to those 55 and older.

Fiscal Impact

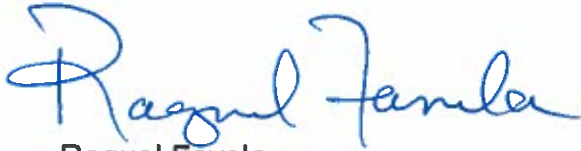
\$200,000 of current year funds.

Recommendation

Staff recommends 1) approval of a one year renewal term for the contract, beginning on October 1, 2017 and ending on September 30, 2018, and 2) an increase in the total contract amount of \$200,000.

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



Raquel Favela

Chief of Economic Development and Neighborhood Services

C: The Honorable Mayor and Members of the City Council	Jon Fortune, Assistant City Manager
T.C. Broadnax, City Manager	Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)
Larry Casto, City Attorney	Joey Zapata, Assistant City Manager
Craig D. Kinton, City Auditor	M. Elizabeth Reich, Chief Financial Officer
Billie Rae Johnson, Interim City Secretary	Nadia Chandler Hardy, Chief of Community Services
Daniel F. Solis, Administrative Judge	Theresa O'Donnell, Chief of Resilience
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager	Directors and Assistant Directors
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