



Legislation Text

File #: 22-0449, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: Ruth Ramos, Innovation Program Manager, Community Services Department

DATE: May 31, 2022

SUBJECT:

A Resolution approving a Memorandum of Understanding between the Cities for Financial Empowerment Fund, Inc. ("the CFE Fund") and the City of Aurora for the Aurora Financial Empowerment Center ("Aurora FEC") to become an FEC Expert Partner ("FEC Expert Partner") until October 31, 2023.

PURPOSE:

The Aurora FEC will become an FEC Expert Partner, continue to operate an FEC as a high-quality public service, actively contribute to the national FEC learning community ("FEC Public Learning Community"), receive technical assistance resources, and continue to use the CFE Fund's central FEC database at no-cost.

BACKGROUND:

In 2019, the City of Aurora applied for and received the Financial Empowerment Center Implementation Grant funds from the CFE Fund as a match grant to support municipal engagement to improve the financial stability of low- and moderate-income households by embedding financial empowerment strategies into local government infrastructure. The Neighbor Project (TNP) was hired as the servicing contractors for the grant agreement with CFE. The Aurora FEC became a part of a growing network of FECs embedded in local governments across the country, committed to providing free, one-to-one financial counseling, delivered by professionally trained counselors, to low- and moderate-income residents.

The Aurora FEC was successful in its two-year pilot phase. Thereafter, the City of Aurora extended the contract with The Neighbor Project for up to two annual extensions from 2022-2024 to continue to provide financial counseling and financial literacy to the community.

The CFE Fund has supported and continues to support the Aurora FEC through technical assistance resources, access to the National FEC learning community, and licenses to use the CFE Fund's central FEC database. Important data from this database is regularly used to update the City of Aurora leadership team, as well as community and fiscal partners, of the progress the Aurora FEC is making in delivering its services to the community.

DISCUSSION:

The success and sustainability of the FEC has led to the City of Aurora authorizing a new contract with The Neighbor Project to continue providing financial counseling and literacy services. The Aurora

FEC counselors have steadily increased their caseloads, providing counseling services to low- and moderate-income residents, and referring clients to partner agency services. In its two-year pilot phase, the Aurora FEC has served almost 1000 clients, had 1250 outcomes, helped clients increase savings by more than \$644,000 and reduce debt by over \$1.4 million.

In response to a growing need of counseling services, especially for residents looking to secure housing or afford growing rental costs, the Aurora FEC has expanded its services to include an additional counselor and a part-time administrative assistant through The Neighbor Project, while also providing additional financial literacy programming. Direct costs for The Financial Empowerment Center are mainly paid by grants, in-kind donations, and donors, making it increasingly financially sustainable.

As the Aurora FEC expands, it is important to continue to receive support from a national organization and to be involved in a national learning community. The Aurora FEC receives recommendations for continued success from partnering cities, as well as contributes to the success of other pilot FECs nationwide.

IMPACT STATEMENT:

The proposed resolution presents an opportunity to continue receiving no-cost support from the CFE Fund through technical assistance resources, access to the FEC Public Learning Community, licenses to use the CFE Fund's central FEC database, and designates the Aurora FEC as an FEC Expert Partner to continue to provide FEC services as part of the CFE Fund's national FEC Public platform. Data generated from the database will enable City of Aurora staff to develop localized reports detailing the impact that financial counseling is having on improving local household financial stability.

RECOMMENDATIONS:

Approval is requested to accept a Memorandum of Understanding between the CFE Fund and the City of Aurora for the Aurora FEC to become an FEC Expert Partner until October 31, 2023.

cc: Public, Health and Transportation Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Requesting approval of a Memorandum of Understanding ("MOU") between the Cities for Financial Empowerment Fund, Inc. ("the CFE Fund") and the City of Aurora for the Aurora Financial Empowerment Center ("Aurora FEC") to become an FEC Expert Partner ("FEC Expert Partner") until October 31, 2023.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City of Aurora is a former recipient of a CFE Fund grant to implement a Financial Empowerment Center ("FEC"), and the City continues to operate their FEC; and

WHEREAS, the CFE Fund works to support municipal engagement to improve the financial stability of low- and moderate-income households by embedding financial empowerment strategies into local government infrastructure (the "Purposes") ; and

WHEREAS, the CFE Fund has supported and continues to support the Aurora FEC with technical assistance resources, access to the national FEC learning community ("FEC Public Learning Community"), no-cost licenses to use the CFE Fund's central FEC database, and designates the Partner as an FEC Expert Partner ("FEC Expert Partner") to continue to provide FEC services as part of the CFE Fund's national FEC Public platform and the City of Aurora desires to accept such engagement on the terms and conditions set forth hereinafter; and

WHEREAS, The Neighbor Project (TNP) was hired as the servicing contractor to provide City residents free financial counseling and financial literacy services through December 2022, with up to two annual extensions thereafter; and

WHEREAS, the City of Aurora has agreed to make use of the CFE Fund offerings provided by this MOU to manage, implement, and oversee the activities set forth in Exhibit A (the "Scope of Work") and Exhibit B (the "Financial Empowerment Center Model"); and

WHEREAS, the CFE Fund has determined that the support of the City of Aurora in the work contemplated by this MOU furthers the exempt purposes of the CFE Fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: The City accepts a Memorandum of Understanding between the Cities for Financial Empowerment Fund, Inc. and the City of Aurora for the Aurora Financial Empowerment Center to become an FEC Expert Partner until October 31, 2023.