



Legislation Text

File #: 22-0442, Version: 2

TO: Mayor Richard C. Irvin

FROM: Ruth Ramos, Innovation Program Manager

DATE: 5/27/2022

SUBJECT:

A resolution approving the acceptance of a Huntington National Bank Grant, in the amount of \$50,000, for the Aurora Financial Empowerment Center.

PURPOSE:

To obtain the City Council's approval to accept a grant from The Huntington Foundation in the amount of \$50,000 to assist with operational costs for the Aurora Financial Empowerment Center (FEC).

BACKGROUND:

In 2019, the City of Aurora applied for grant funds to launch the Aurora Financial Empowerment Center, a part of a growing network of FEC's 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. Therefore, the City of Aurora has entered a contract with up to two annual extensions from 2022-2024 to continue to provide financial counseling and financial literacy to the community.

DISCUSSION:

The success and sustainability of the FEC has led to the City of Aurora approving another 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.

The contractual services and other direct costs for The Financial Empowerment Center are mainly paid by grants, in-kind donations, and donors. The contractual service amount for 2022 is \$347,757. This amount will be paid by CDBG-CV award 221-1330-801.43-55 of up to \$150,000, funding from account 101-1304-419.32-20 and other funds raised that are pending or new grants/donors.

IMPACT STATEMENT:

The proposed resolution presents an opportunity to continue funding the successful operation of the Financial Empowerment Center. The operational costs will include an increased contractual amount with The Neighbor Project due to increased staff and services and increased direct costs to the City of Aurora because of the expansion of services.

RECOMMENDATIONS:

Approval is requested to accept Huntington National Bank grant funds in the amount of \$50,000 for the operational costs of the Aurora Financial Empowerment Center.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution approving the acceptance of a Huntington Foundation Grant, in the amount of \$50,000, for the Aurora Financial Empowerment Center.

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 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 extension thereafter; and

WHEREAS, an additional counselor, administrative assistant and expanded operational costs are needed as the FEC has experienced a high demand for its services in the first two-year pilot period, and expects to serve more clients in the future; and

WHEREAS, 2022 funding will also be paid from accounts 101-1304-419.32-30 and \$150,000 through CDBG 221-1330-801.43-55; and

WHEREAS, Huntington National Bank has approved a \$50,000 grant to the Aurora Financial Empowerment Center to help cover its operating costs

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows:
The City accepts a \$50,000 grant from The Huntington Foundation to the Aurora Financial

Empowerment Center to help cover its operating costs.