

**CITY OF SAN ANTONIO
DEPARTMENT OF COMMUNITY INITIATIVES
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

SUBJECT: The allocation and expenditure of Human Development Services Funds from Council District 10 for the Individual Development Account program

DATE: May 5, 2005

SUMMARY AND RECOMMENDATION

This ordinance authorizes the transfer of \$30,000 from the Council District 10 Human Development Services Fund (HDSF) to the Families SAVE Individual Development Account (IDA) program reserve account to be used as match funding to support post-secondary education IDAs in Council District 10. This ordinance also amends the Families SAVE IDA 3 budget.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

As a cornerstone of the City's efforts to strengthen families, the Department of Community Initiatives (DCI) has developed the Family Economic Success Program (FESP) to improve the economic security of San Antonio families. FESP efforts develop and strengthen families through proactive asset building and asset protection while reducing reliance on the reactive approach of community safety net and emergency assistance type programs. Financial literacy courses, Volunteer Income Tax Assistance, Earned Income Tax Credits and Individual Development Account (IDA) participation all serve as the principal activities to support DCI's asset building model. IDAs are an important component of DCI's Family Economic Security Program. Higher education and home ownership are proven pathways from lower to middle class, and are key factors in the strengthening of families in the community.

For the past four years, DCI has operated the Families SAVE IDA program through U.S. Department of Health and Human Services (DHHS) Assets for Independence Act (AFIA) grants. The IDA program focuses on low-income working families who live in Bexar County and meet the DHHS requirement of 200% of the Federal Poverty Level (for example, \$38,700/year for a family of four). Participants in the IDA program save up to \$1,000. IDA savings may be used either for post-secondary education costs or to purchase a home. Participants complete six hours of basic financial education prior to opening their savings account. In order to promote savings as a family strengthening economic practice, they are required to make deposits for a minimum of six months and participate in at least six additional hours of asset specific financial education training before withdrawing any funds to purchase the asset. Upon completion of program requirements participant savings are matched at a four to one ratio.

POLICY ANALYSIS

The U. S. Department of Health and Human Service (HHS) has made a total of \$1,300,000 available to the City for IDA accounts, which require a dollar for dollar cash match from non-federal sources. DCI draws down these federal funds as matching funds are secured. To date, 82 families have successfully completed the program and purchased their assets. Thirty-six have purchased their first home, 36 are enrolled or have completed post-secondary education, and ten have started a small business.

To improve participation in higher education for students attending MacArthur and Roosevelt High Schools in Council District (CD) 10, Councilman Haass has allocated \$30,000 from the CD 10 HDSF to the Families Save IDA program. These HDSF funds will be used as matching funds to support students at the two CD 10 high schools who are saving for post-secondary education. This allocation will support a minimum of 15 participants.

FISCAL IMPACT

This ordinance transfers \$30,000 from the Council District 10 Human Development Services Fund account to the IDA reserve account. The \$30,000 will be used as a match contribution as required in order to draw down the DHHS grant. There is no other General Fund commitment.

COORDINATION

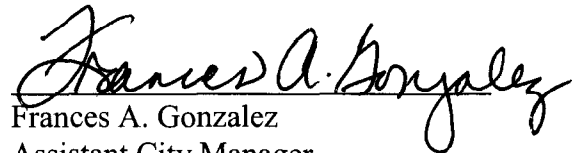
The Department of Community Initiatives coordinated with the City's Attorney's Office, Finance Department, Office of Management and Budget, and the office of Council District 10.

SUPPLEMENTARY COMMENTS

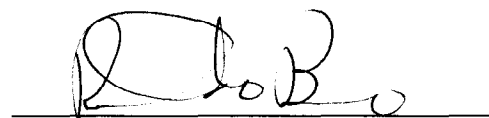
Provisions of the Ethics Ordinance do not apply.



Dennis J. Campa, Director
Department of Community Initiatives



Frances A. Gonzalez
Assistant City Manager




J. Rolando Bono
Interim City Manager

CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
Interdepartmental Correspondence

TO: Dennis J. Campa, Director, Community Initiatives
FROM: Councilman Chip Haass, District 10
COPIES TO: Melody Woosley, Pete McKinnon, Mario Resendiz; File
SUBJECT: IDA Program for MacArthur High School
DATE: April 12, 2005

I wish to direct staff to allocate \$30,000 from my Human Development Service Funds account to establish a College Scholarship Program for MacArthur High School students. These monies are to be transferred into an Individual Development Account Program (IDA) where an additional \$30,000 will be allocated into the account in matching federal funds. Please feel free to contact my office if you have any questions.



Chip Haass
Councilman, District 10

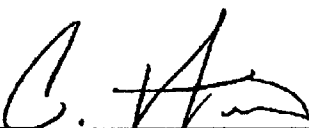
4/12/05

Date

CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
Interdepartmental Correspondence

TO: Dennis J. Campa, Director, Community Initiatives
FROM: Councilman Chip Haass, District 10
COPIES TO: Melody Woosley, Pete McKinnon, Mario Resendiz; File
SUBJECT: IDA Program for Roosevelt High School
DATE: April 18, 2005

I wish to make District 10 residents who attend Roosevelt High School eligible for the \$30,000 set aside from my Human Development Service Fund for the Individual Development Account Program (IDA). Please feel free to contact my office if you have any questions.



Chip Haass
Councilman, District 10

4/18/05

Date