

# City of Sacramento

## Legislation Text

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**File #:** 2019-01495, **Version:** 1

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**Title:**

**Contract with International Rescue Committee for Financial Empowerment Center Implementation**

File ID: 2019-01495

**Location:** Citywide

**Recommendation:**

Pass a Motion authorizing the City Manager or City Manager's designee to execute a Professional Services Agreement with the International Rescue Committee (IRC) for the implementation of the Financial Empowerment Center Project for an amount not-to-exceed \$300,000.

**Contact:** Amy Williamson, Financial Empowerment Center Manager, (916) 808-1046; Leslie Fritzsche, Economic Development Investment Manager, (916) 808-1540, Office of Innovation and Economic Development

**Presenter:** None.

**Attachments:**

- 1-Description/Analysis
- 2- International Rescue Committee Mission and Description
- 3-Contract

**Description/Analysis**

**Issue Detail:** In March 2019, the Council adopted a resolution approving a framework for the Financial Empowerment Center (FEC) project pilot. This was the culmination of a planning phase conducted in 2018 with grant funds from the Cities for Financial Empowerment (CFE) Fund, a fund made possible through the Bloomberg Foundation. The CFE Fund's mission is to improve the financial stability of low- and moderate-income households by embedding financial empowerment strategies into local government infrastructure. Through the FEC planning process, it was discovered that this tool could be complementary to the City's inclusive economic development efforts and can be key to supporting financially vulnerable residents and businesses.

At the core of the CFE Fund's FEC model is the integration of free, professionally trained financial counselors into other social services. Evaluations in other cities have shown that despite deep financial challenges, counseling clients have succeeded in reducing debt, increasing their savings, establishing and improving credit, and opening safe and affordable mainstream banking accounts.

The FEC model is a partnership between local government and community-based organizations. As part of the FEC model, the City of Sacramento will partner with one or more qualified community organizations to develop and manage the FEC, including responsibilities related to the delivery of financial counseling, supervising financial counselors, database operations, community partnerships, program outcomes, and financial sustainability of the work.

**Policy Considerations:** The Initiative is consistent with the 2013 Economic Development Strategy and the 2019 Inclusive Economic Development Framework goal of prioritizing investments that strengthen business, people and place capacity to stimulate economic growth and quality of life for all residents.

**Economic Impacts:** Ensuring economic opportunities exist for all can result in greater economic growth for the residents and businesses of Sacramento.

**Environmental Considerations:** The recommendation in this report is not a project under the California Environmental Quality Act (CEQA), because it involves organization or administrative activities that will not result in direct or indirect physical changes in the environment, as contemplated by Section 15378(b)(5) of the CEQA Guidelines (Cal. Code Regs., tit. 14, §15000 et seq.), and is, therefore, not subject to CEQA pursuant to Section 15060(c)(3) of the CEQA Guidelines.

**Sustainability:** None.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** In the Spring of 2019, the Office of Innovation and Economic Development and the Mayor's Office issued a Request for Qualifications for a nonprofit partner to be the lead provider and implementation arm for the City's FEC. The selection committee conducted a review and evaluation of submittals based on qualifications and invited the top two firms to interview. The International Rescue Committee (IRC) was selected to enter into a professional service agreement.

IRC's mission is to help people whose lives and livelihoods are shattered by conflict and disaster to survive, recover and gain control of their future. They work with clients on economic well-being, education, empowerment, health, and safety. While much of their experience has been with refugees, the IRC office in Sacramento and others around the country have been leveraging their expertise to help other struggling households as well. Based on their depth of experience with financial

empowerment work with vulnerable populations both locally and nationally, the panel selected International Rescue Committee (IRC) as its top candidate for the lead nonprofit role. Background on the International Rescue Committee is included as Attachment 1. IRC will work closely with the City to develop strong integration and referral partnerships with a range of other programs and organizations to create a diverse FEC clientele and range of services. In addition, staff will work with the IRC to integrate the work of the FEC into other initiatives underway and planned by the City such as proactively preventing homelessness and building support for local micro-entrepreneurship.

**Financial Considerations:** There is sufficient funding in the Financial Empowerment Center Project (102182000) to execute the agreement with IRC for an amount not-to-exceed \$300,000.

**Local Business Enterprise (LBE):** None.