



SHAKER HEIGHTS

MEMORANDUM

TO: Members of Council

FROM: Kamla Lewis, Director of Neighborhood Revitalization

C.C. Mayor David E. Weiss
Chief Administrative Officer, Jeri E. Chaikin

DATE: January 24, 2019

RE: **Contract to Provide Financial Capability and Housing Stability Services to Shaker Seniors**

The City is recommending entering into an 11 month contract, in the amount of \$25,000, with the non-profit agency, ESOP (Empowering and Strengthening Ohio's People) as a pilot program to provide financial capability and housing stability services to Shaker's seniors, to better enable our seniors to age in place with greater economic stability. This proposal was discussed at the January Neighborhood Revitalization and Development (NRD) Committee and Finance Committee and both unanimously approved. Most of the discussion focused on positive feedback about ESOP and their partners, and questions about marketing the program, making adjustments if demand exceeds currently budgeted hours, ways to build trust with seniors, role volunteers can play in such a program, and evaluation metrics.

Background

Seniors (55 and older) in Shaker comprise 29.4% of the population (2010 census), and the City provides a range of services and programs specifically aimed at this segment of the population. The Recreation Department provides recreation and transportation programs and contracts with a part time social worker to respond to requests for information and referral from seniors. The Economic Development Department provides grants to seniors to help with home repairs and accessibility.

However, often as the City works with our seniors around issues of housing maintenance and tax delinquency, it has been evident that their needs require a range of services that exceed our staff capacity to address them. These include tax and mortgage delinquency, financial capability, hoarding, and caregiving needs. Nationally, 32% of people aged 53-62 have \$0 saved for retirement. 30% of seniors experience a \$0 or negative budget every month after paying for their basic needs.



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- Shaker residents on homestead exemption (a proxy for seniors) represented 33% of tax delinquent properties in Shaker in November 2018, and 36% of the total tax delinquency. Without assistance, these seniors are in danger of losing their homes.
- Seniors historically represent approx. 85% of the Housing Specialist's caseload.
- Based on the types of situations they encounter working with seniors, the Building/Housing, Recreation, Law and Police Departments, all of which have frequent interaction with seniors, support the addition of the services offered by ESOP to our seniors.

As examples, ESOP staff would be available to assist seniors who receive housing violations create budgets, and connect with benefit programs which can provide financial assistance. For seniors facing crises related to high credit card debt and payday loans, ESOP will negotiate with creditors to create fair and affordable repayment plans and work with their partners at Hebrew Free Loan Association (HFLA) to seek interest free loans to get out of payday loans and or pay down high interest credit card debt. They provide specific property tax counseling services, including operating their own unique Senior Property Tax Loan Program.

ESOP's background

ESOP helps people in all stages of life achieve and maintain financial wellness and housing stability. The organization was founded in 1993. In its early days as the East Side Organizing Project, ESOP used community activism to combat predatory lending and other disreputable financial practices. As the organization evolved into Empowering and Strengthening Ohio's People, ESOP shifted focus to provide individuals with the knowledge and tools they needed to ensure their financial wellness and housing stability. In its 25 year history, ESOP has helped more than 42,000 homeowners across Ohio save their homes from foreclosure.

In recent years, ESOP developed the Senior Financial Empowerment Initiative, an integrated suite of financial capability services for older adults and their caregivers. The commitment to helping older adults and their caregivers achieve financial wellness and housing stability was enhanced in 2017, when ESOP became a subsidiary of Benjamin Rose Institute on Aging, a 110-year-old nonprofit organization whose mission is to advance support for older adults and their caregivers. ESOP's clients all have full access to an array of services and supports for older adults and their caregivers from the Benjamin Rose Institute on Aging. In addition to one on one counseling, ESOP offers 15 financial capability workshops and homebuyer education workshops.

ESOP Program Outcomes

73% of the clients ESOP serves are African American women over the age of 65. Most rely exclusively on Social Security, are deep in debt, and, on average, have a fixed income of \$12,131.



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- Even on this meager income, through one-on-one coaching and counseling, ESOP has helped their clients increase their credit score by an average of 27 points, decrease their debt by an average of 20% or \$2,415, decrease their monthly expenses on average by 22% or \$218, and still manage to save \$244.
- Clients who participated in their matched savings program established an average emergency savings of \$1,092. These are life-changing numbers for seniors who live at this level of income.
- ESOP has assisted 529 seniors avoid property tax foreclosure, and have saved 1,663 clients a total of \$785,571 by accessing benefits.

Proposed Contract with ESOP

- ESOP would provide up to 68 hours per month of one on one financial counseling and housing counseling services, at the Shaker Heights Community Building. Specific office hours will be determined on a monthly basis in consultation with the City, but appointments will be encouraged, and office hours adjusted accordingly. Clients could also receive services at ESOP's offices located at 11890 Fairhill Road, if they so choose. If the City chooses to have ESOP offer any of their workshops, these hours would count towards the 68 hours per month.
- Services provided would include:
 - **Financial Counseling and Coaching:** One-on-one sessions are available by appointment to help people develop budgets and better manage their finances.
 - **Property Tax Counseling:** ESOP helps people resolve their property tax delinquency through a payment plan directly with Cuyahoga County or through their own Senior Property Tax Loan Program (SPTLP).
 - **Senior Property Tax Loans:** Affordable loans and counseling to help eligible homeowners pay delinquent property taxes and avoid foreclosure.
 - **Matched Savings Accounts:** Eligible clients can earn a dollar-for-dollar match up to \$500 if they engage in financial coaching for a year.
 - **Accessibility Modification Grants and Loans:** help people get the funds they need to make their homes safer so they can age in place.
 - **Benefits Assessment and Enrollment:** assists clients in understanding and applying for local, state and federal benefits.
 - **Foreclosure Prevention Counseling:** ESOP will negotiate with lenders to help people obtain affordable loan modifications to save their homes from foreclosure.
 - **Transitional Counseling:** Stewarding older adults through downsizing and/or successfully transitioning to assisted living facilities.
 - **Vision Screening and Eyeglass Vouchers:** Free screenings and glasses for eligible consumers to ensure they can properly see and monitor financial statements.
 - **Volunteer Income Tax Assistance (VITA):** free income tax preparation for adults with low to moderate income.



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- **Pre-purchase Counseling:** work to ensure that individuals are financially ready for homeownership.
 - **Homebuyer Education Workshops:** Individuals learn the important basics of the home-buying process and gain the knowledge and skills needed to secure an affordable mortgage.
 - **Post-purchase Counseling:** Gain the tools and knowledge needed to be a successful long-term homeowner prepared for financial emergencies and necessary home repairs.
 - **Group Financial Education Workshops:** Workshops provide valuable information on topics ranging from budgeting and goal setting to understanding credit and debt, avoiding financial exploitation, spending choices, and the importance of savings.
- The contract would cover the period February through December 2019.
 - Funds for the program have already been appropriated in the Neighborhood Revitalization Department 2019 budget.
 - The City would provide free office space in the Community Building for meeting with clients and assist in marketing ESOP services through existing channels, including our website, magazine and fliers, as well as referrals from departments.
 - ESOP would provide the City with non-confidential information about program usage and outcomes, including demographics, income level, debt reduction, savings, monthly expense reduction and credit improvement.

Recommendation

Staff is requesting approval to enter into a professional services contract with ESOP in the amount of \$25,000 for 2019 to provide Shaker seniors with services to achieve and maintain financial wellness and housing stability. We are requesting that this be passed on first reading and as an emergency to allow services to begin in February.

ORDINANCE NO.

BY:

Authorizing a contract with Empowering and Strengthening Ohio's People (ESOP), for the provision of senior financial and housing counseling and education personal services for the period February 1, 2019 through December 31, 2019, in the maximum amount of \$25,000, and declaring an emergency.

WHEREAS, ESOP is a non-profit organization which has developed the Senior Financial Empowerment Initiative, an integrated suite of financial capability services for older adults and their caregivers; and

WHEREAS, the City has determined to initiate a pilot program with ESOP to provide financial and housing counseling and education services to the City's seniors to better enable them to age in place with greater economic stability; and

WHEREAS, it is the recommendation of the Director of Neighborhood Revitalization that the City enter into a contract with ESOP for the provision of senior financial and housing counseling and education personal services, for the period February 1, 2019 through December 31, 2019, in the maximum amount of TWENTY-FIVE THOUSAND DOLLARS (\$25,000).

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Shaker Heights, State of Ohio:

Section 1. This Council hereby authorizes the Mayor to enter into a contract with Empowering and Strengthening Ohio's People (ESOP), to provide senior financial and housing counseling and education personal services, for the period February 1, 2019 through December 31, 2019, in the maximum amount of TWENTY-FIVE THOUSAND DOLLARS (\$25,000). Said contract shall be in the form as approved by the Director of Law.

Section 2. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare for the reason that it is necessary in the current operation of the City and further, to allow services to begin in February, and, therefore, this ordinance shall take effect immediately upon its enactment and approval by the Mayor.

Enacted _____.

Approved this _____ day of _____, 2019.

DAVID E. WEISS, Mayor

Attest:

JERI E. CHAIKIN
Clerk of Council
coun19/0123ESOP