

The Social Services Collaborative of El Paso is comprised of local nonprofit organizations in the community that provide health, educational, and social services to a cross section of local residents. We acknowledge that the prevailing economic conditions at all levels are challenging and that City Council has difficult choices to make. We understand that City Council accepted a strategy that would reduce the amount of CDBG funds for social services from the current 15% down to 12% beginning fiscal year 2014.

We ask you to consider a few important factors. CDBG funding over the past ten years has been reduced by approximately 50%. Since the great recession nonprofit organizations, and the clients they serve, have lost traditional sources of revenue: philanthropic giving has decreased, government grants and contracts have been curtailed, private foundation portfolios have not recovered, and fund raising events are not meeting expectations. In short, nonprofit organizations have experienced drastic reductions in revenue from all sources and are faced with increased need as a result of economic conditions.

The nonprofit sector of El Paso County, combined, is El Paso County's third largest employer with total revenue in excess of \$800 Million and assets exceeding \$2 Billion. Non-profits reflect an investment in human potential and thus a large economic driver for the City of El Paso.

The Social Services Collaborative of El Paso respectfully submits to the Mayor and City Council of El Paso the following:

1. We request that the City continue to set aside 15% of CDBG monies for social services
2. We represent over 26 nonprofit organizations in the community.
3. We serve in excess of 15,000 individuals in our community.
4. We used CDBG funds, not only to serve thousands of local residents, but to leverage both public and private dollars from within and outside of the community.
5. The use of CDBG funds reduces the burden on the taxpayer. This is illustrated through the work of one of our agencies, among many. Centro San Vicente served in excess of 1,600 patients, a vast majority of which are homeless (77%). The average cost per visit is \$104.01 as compared to an emergency room visit at the University Medical Center which averages \$1,500. This reflects a savings to the tax payer of close to \$2.4 Million.
6. We serve the most vulnerable and needy people of the community, the poor and the working poor, the sick, the homeless, the elderly, those with disabilities, victims of domestic abuse, those with limited employment skills and opportunities, along with veterans.

In closing, we agree with the idea of cutting costs but don't believe the poor of our community should carry the burden.

The Paso del Norte Children's Development Center is the only not for profit organization in El Paso specifically dedicated to helping children with disabilities and it operates the only specialized, inclusive childcare program in the community. As with many nonprofit agencies, the PdN CDC has a wide variety of funding sources: state grants, foundation grants, fund raising, fees for services and important to this discussion, two grants from the City's CDBG program. It's interrelated mix of funding sources. CDBG provides funds for two programs, El Papalote Inclusive Childcare Center to pay for scholarships for children with disabilities, and the Community Resource Center of pay for case management services for families who have children with disabilities.

With El Papalote CDBG is used to draw down matching federal funds through a "local initiatives" program. CDBG funds draw down additional federal childcare funds at 196% ; 100% of the drawn down remains with El Papalote and 96% of the drawn goes to a "community pot" to serve other children. In FY 2011 PdN CDC had \$30,685 in CD funds that allowed a drawn down matching amount, meaning that CD provided \$61,370 in childcare scholarships through PdN CDC. In FY 2011 El Papalote served 38 families and this fiscal year to date has served 28 families with these funds, allowing the children's parents to remain in the workforce and/or pursue higher education or vocational training. Additionally, El Papalote is the only private provider in town with contracts to serve military dependents, last year El Papalote served 16 military families. El Papalote is the only private childcare center in town that is nationally accredited AND meets the stringent federal standards to qualify for childcare funding for federal employees, including military families.

A loss of \$61,370 will likely result in closing the childcare center because the childcare budget has very little flexibility. That would mean closing the only specialized childcare center in town and the only available civilian provider for military families. Loss of CD funds for social services, and community support, will have a ripple effect with unpredictable consequences. While the program loses a 100% match, the community loses an additional 96% drawn down in "local initiatives" childcare funds, an additional loss of \$29,458 for childcare services for the community. The childcare program employs 12 full time workers and provides the needed service that allow another 200+ city residents to remain in the workforce.

The Community Resource Center receives a variety of state and private grants, including a CDBG grant for case management services. Case management services are provided by a licensed social worker who helps families navigate the maze of federal, state, and local services to improve long term outcomes for their children. This CDBG grant does not have the same measurable leverage capacity as the childcare program, but city funds are equally important. In addition to CDBG, the CRC has two state grants, a local contract, and a national foundation grant. Its grant applications proudly list the City of El Paso as a source of funds. State and national organizations view such grant applications favorably and consider local support as an indication of the efficacy of such services. In short, local support makes the grant application more attractive.

This is but one example of the return on investment of CDBG funds; there are other examples to demonstrate why it is important to keep ALL of the available funds allocated to social services. A vibrant community must have a vibrant nonprofit sector to cast its safety net under the most vulnerable population.



Targeting Strategy for CDBG Funds



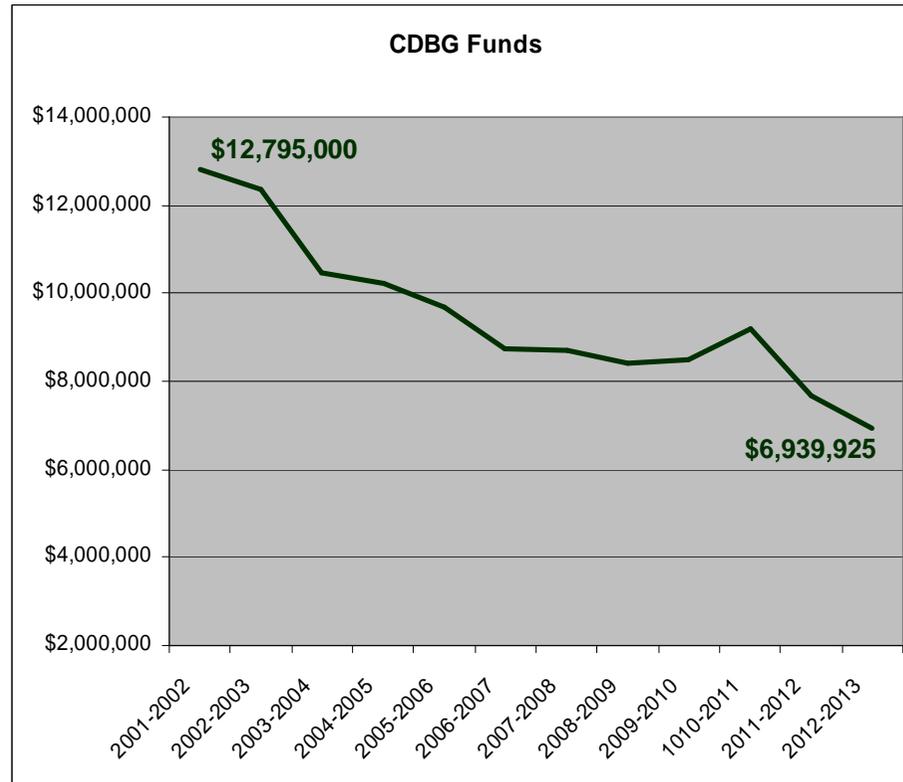
Purpose of Proposed Target Zones

To maximize the impact that CDBG funds have on the physical, social and economic well-being of the community.



Funding History

Year	CDBG Funds
2001-2002	\$12,795,000
2002-2003	\$12,360,000
2003-2004	\$10,483,000
2004-2005	\$10,236,000
2005-2006	\$9,699,358
2006-2007	\$8,726,983
2007-2008	\$8,709,436
2008-2009	\$8,410,415
2009-2010	\$8,495,074
2010-2011	\$9,192,253
2011-2012	\$7,675,813
2012-2013	\$6,939,925



Between 2000 and 2010 the total population of the City of El Paso increased from 563,662 to 649,121. A more than 15% increase.



Programs Involved:

- CDBG
- CDBG Revolving Loan Fund
- EZ Funds for Transitional Year (39th Year)
- Section 108 Loans
- HOME Funds (via increased incentives for home purchase, rehab and housing development in the target areas)

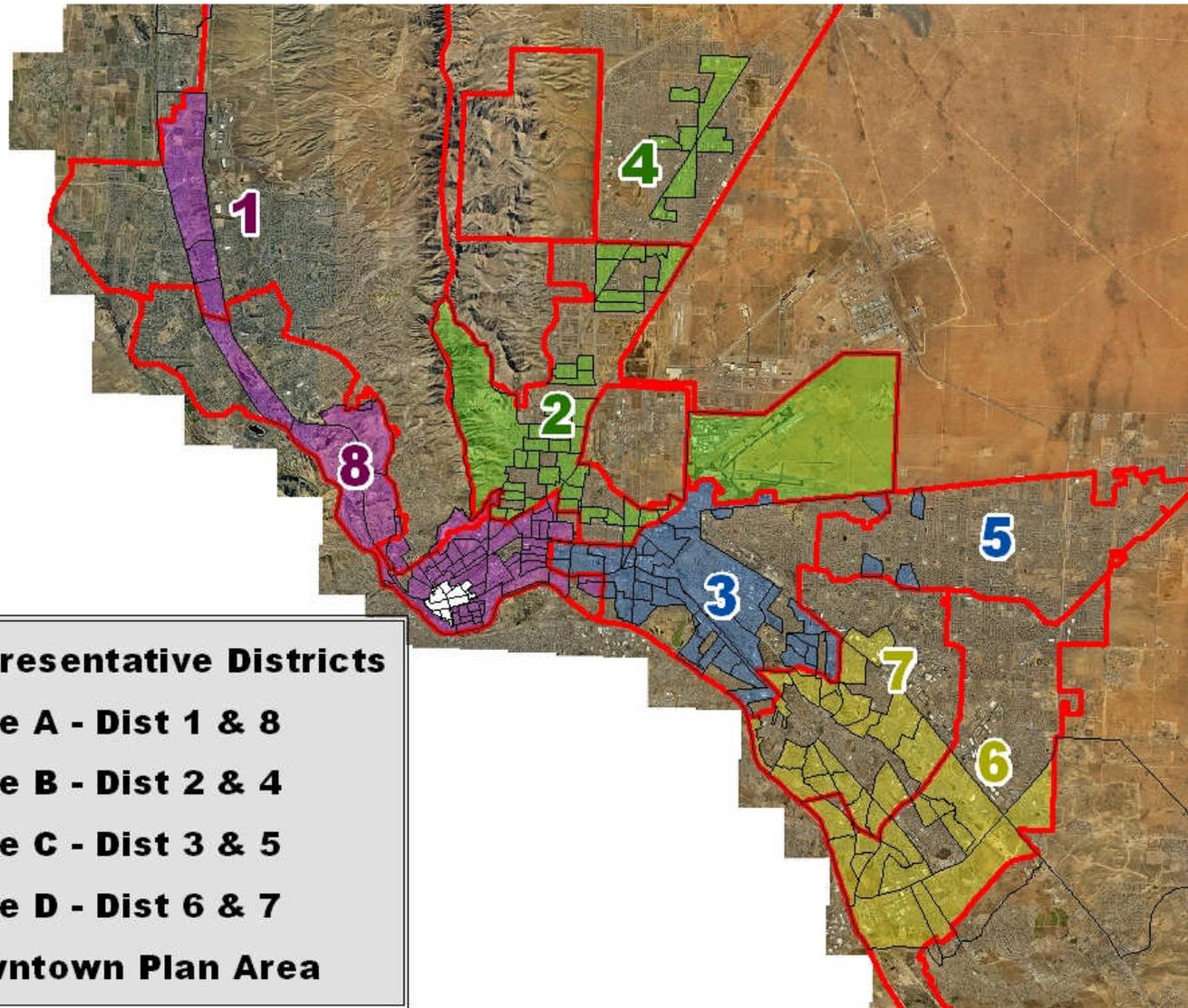
Programs NOT Involved:

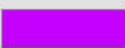
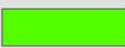
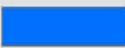
- Emergency Solutions Grant
- Housing Opportunities for Persons with AIDS (HOPWA)

Recommendation: Social Services program funding decreased from 15% to 12% (a reduction of approximately \$200,000)



Map of Proposed Target Zones



	Representative Districts
	Zone A - Dist 1 & 8
	Zone B - Dist 2 & 4
	Zone C - Dist 3 & 5
	Zone D - Dist 6 & 7
	Downtown Plan Area



Funding Distribution (CDBG Years 40-43)

Zone A		
District	Low/Mod Pop	Projected Funding
1 & 8	52,505	\$4,284,000

Zone B		
District	Low/Mod Pop	Projected Funding
2 & 4	52,113	\$4,284,000

Zone C		
District	Low/Mod Pop	Projected Funding
3 & 5	51,634	\$4,284,000

Zone D		
District	Low/Mod Pop	Projected Funding
6 & 7	50,166	\$4,284,000

Distribution of funds is based on current district maps and 2000 census data.



Funding Distribution

Transitional Year (39th Year CDBG)

2012-2013 Projected CDBG Funds	\$7,000,000
Admin (20%)	\$1,400,000
Pre-Committed Funds	\$1,900,000
Social Services (12%)	\$840,000
Balance Available for New Projects	\$2,860,000
Chamizal NRSA (45% remaining funds)	\$1,287,000
Lower Dyer NRSA (45% remaining funds)	\$1,287,000
Downtown (10%) Direct Benefit Only	\$286,000

Beginning in 40th Year CDBG

2013-2014 Projected CDBG Funds	\$7,000,000
Admin (20%)	\$1,400,000
Social Services (12%)	\$840,000
Balance Available for New Projects	\$4,760,000
Target Zone Projects (90%)	\$4,284,000
Downtown (10%) Direct Benefit Only	\$476,000



Section 108 Loan

Provide a \$10 Million Section 108 Loan for economic development activities

- Guarantee of repayment is directly tied to CDBG Target Zone allocation
- Allows for economic development project funding throughout the four year CDBG Target Zone funding process

Zone A	
District	Section 108 Loan
1 & 8	\$2,500,000

Zone B	
District	Section 108 Loan
2 & 4	\$2,500,000

Zone C	
District	Section 108 Loan
3 & 5	\$2,500,000

Zone D	
District	Section 108 Loan
6 & 7	\$2,500,000



Pre-Award Process

Pre-awards may occur 1-year prior to target zone's implementation year

City funds would provide preliminary design and planning costs and would be reimbursed from the CDBG grant in the following year



Types of Projects

- **Infrastructure**
- **Parks and Recreation**
- **Public/Nonprofit Buildings**
- **Affordable Housing Development**
- **First Time Home Buyers**
- **Housing Rehabilitation**
- **Economic Development**



Types of Projects

Parks and Recreation



Chihuahuita Park Ribbon Cutting Ceremony
417 Charles Road
Tuesday, April 10, 2012



Borderland Park
CDIB&G



Types of Projects

Public/Nonprofit Buildings



Rawlings Dental Clinic - 3301 Pera



Types of Projects

Affordable Housing Development





Questions & Comments