

Metrocrest Services Support Request Discussion

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes diagonal lines and a grey triangle in the top right corner.

ADDISON

Request for Support

ADDISON

In a letter dated July 15, 2021, Metrocrest Services asked the Town to support their *Building Our Future* campaign (Campaign).

The Campaign is an effort to raise \$12.7M in capital funds to construct a 48,000 square foot Community Support Facility serving Addison, Carrollton, Farmers Branch and Coppell.

The 4 cities served by Metrocrest have been asked to provide a total of \$2M in support to the Campaign.

Addison's share of the \$2M is \$120,000.



Capital Campaign Committee

- Craig Woodfield, *Chair*
- Sam Pack, *Honorary Chair*
- Becky Ratliff, *Board Chair*
- Lou Sartor, *Advisory Council Chair*
- Andy Dastur, *Board Chair Elect*
- Orman Anderson
- Mary Jo Cater
- Carol Dingman
- Bennett McEvoy
- Mimi Slater
- Ronnie Spellman
- Deb & Steve Wachs

July 15, 2021

The Honorable Joe Chow and City Council
Town of Addison
5300 Belt Line Road
Dallas, TX 75254

Dear Mayor Chow and Council,

Thank you for your continued partnership with Metrocrest Services as we provide support for individuals, families and seniors in need. We have been fortunate to serve the Metrocrest community for 50 years because of generous and committed partners like the Town of Addison. The Town and its leaders have been a big part of the key to our success and we look forward to continuing to serve our community hand in hand with you for the next 50 years.

As you know all too well, the Metrocrest community has seen a staggering need for social services as a result of the COVID-19 pandemic. The increased level of need during the past 16 months has made it even more evident how essential our services and programs are for our neighbors on the brink of poverty and homelessness. Since March of 2020, we have focused our efforts on rent assistance and hunger relief as the most urgent needs as well as employment preparation for those who were laid off as a result of the pandemic. From February 2020 to March 2021, we responded to the following needs:

- 33,998 individuals served (a 1.55% increase year over year)
- 3,795 rent payments (a 305% increase year over year)
- 346% increase in nutritious food distribution (compared year-over-year)

While we were already operating at full capacity going into 2020, the pandemic stretched our staff in ways that could not have been imagined and changed the way we operate. The most visible example of this is our drive-through Food Pantry, which is set up in the parking lot behind our current facility to accommodate social distancing and to repurpose the space that previously served as our client choice Food Pantry to be dedicated to a 576 square-foot freezer cooler unit. Due to the significant increase in need and limited on-site storage capacity, we will not be able to return to the preferred client choice model in our current facility.

As the only agency providing a comprehensive approach to social services in the Town of Addison, with 76 percent of client households reporting that Metrocrest Services is the only nonprofit serving their family, we are uniquely positioned to provide the tools and resources for those in need to respond to crises, leading them on a path out of poverty. With inadequate space for increased staff support and expanded programs, and elevated levels of need into the future, we must invest in a new facility if we are to provide our neighbors with the best chance of escaping the cycle of poverty and provide emergency relief when it is needed most. Plans to accomplish these goals in a new facility at a more easily-accessible location have been in



13801 Hutton Drive, Suite 150 Farmers Branch, Texas 75234 www.metrocrestservices.org

Previous Council Discussion

Metrocrest's request for support was discussed by Council during the August 24, 2021 Council meeting.

At that meeting, Council asked staff to research and provide information on the following:

- Legal opinion on providing financial support to non-profit organizations
- The actions taken by Carrollton, Coppell, and Farmers Branch in response to the Campaign request
- The return on investment of supporting non-profit organizations in the community

Staff will provide the requested information.

Staff is seeking Council direction.

The City Attorney's legal opinion is that Chapter 380 of the Texas Local Government Code allows the City Council to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money to promote state or local economic development and stimulate business development within the local community.

The City Council has established a local grant funding program pursuant to Section 380.001 of the Texas Local Government Code for making grants of public money to 503(c) nonprofit organizations, including Metrocrest Services, that provide support services for the local community that promote local economic development and stimulates business activity within the City.

A draft grant funding agreement was developed that provides for a reimbursement grant in connection with Metrocrest's *Building Our Future* capital campaign pursuant to the City's adopted 380 grant funding program requirements.

The actions taken by the City Councils of the three other cities asked to support the Campaign are as follows:

- The Carrollton City Council has not yet acted on Metrocrest's request. Staff has been told the item is tentatively scheduled for a January 2022 meeting.
- The Coppell City Council approved a Resolution supporting Metrocrest Services through a contribution of \$80,000 toward the Campaign.
- The Farmers Branch City Council approved a Resolution supporting Metrocrest Services through a grant in an amount \$560,000 to be used for the construction of a Community Support Facility (Metrocrest's new facility).

Return on Investment

For over 50 years, Metrocrest Services (Metrocrest) has provided a variety of programs for Addison residents such as a food pantry, job skills training, senior programs, and rent assistance.

Addison sees direct and indirect returns on the investment made to support Metrocrest in fulfilling their mission.



Return on Investment (continued)

ADDISON

The budgeted expenditures for Fiscal Year 2019, the last full pre-pandemic year, were \$5,820,305 compared to \$12,458,368 for Fiscal Year 2022 (a 114% increase).

The number of Addison residents served by Metrocrest Services has increased from 990 in Fiscal Year 2019 to a projected 1,246 in Fiscal Year 2022 (a 26% increase).

The \$66,120 in annual support provided by the Town represents .5% of Metrocrest's Fiscal Year 2022 Annual Budget and will cover approximately 14.6% (down from 25% - 30% pre-pandemic) of the costs to serve Addison residents.

The cost for Metrocrest to serve Addison residents in Fiscal Year 2022 will be approximately \$450,000.



Return on Investment (continued)

Metrocrest leverages the Town's annual contribution by a multiple of almost 7.

While Town staff did not attempt to calculate the estimated cost for the Town to replicate the services provided by Metrocrest, it is evident that it would be significantly more costly to provide these services in-house.

The \$120,000 request for the *Building Our Future* Capital Campaign represents .7% of the total campaign budget and 1.1% of the construction only cost.

The new facility will allow Metrocrest to eliminate the rent paid for their current location and further enhance their services to the community.



Return on Investment (continued)

Metrocrest directly and indirectly benefits Addison families through their food pantry:

- When people have food to eat, they are better able to be active and engaged members of the community.
- Children and teenagers can grow properly when obtaining proper nutrition and are more likely to attend school.
- Adults have the nutrition needed to go to work and pay bills, afford necessities, and support their families.
- Seniors get the nutrition they need to stay healthy as they get older.
- Chronically ill and disabled people can get the additional nutrients they require and have dietary restrictions met without sacrificing their overall well-being.
- When low-income families are provided food, they have additional money to meet other basic needs.



Return on Investment (continued)

Metrocrest directly and indirectly benefits Addison families through job skills training:

- Participants can obtain higher paying jobs and better support their families.
- Employers can hire better trained and more productive employees.
- The local economy improves as a result of the items above increased employment at higher wages.

Metrocrest directly and indirectly benefits Addison families through rent assistance to avoid evictions:

- Homelessness is avoided.
- Overcrowding caused by shared housing is decreased.
- Landlords are better able to maintain their properties when vacancies are avoided.
- Metrocrest directly and indirectly benefits Addison families through senior programs: Seniors receive nutritious and healthy meals.
- Seniors receive regular contact from caring volunteers who look out for their well-being
- Seniors are more connected and involved in the larger community.



In addition to the visible benefits, Metrocrest Services:

- Directly provides jobs in the community.
- Provides volunteer and networking opportunities.
- Contributes to a sense of community.
- Reduces the demand on public safety and other governmental resources.
- Prevents local governments from having to provide these services directly.



Sample Agreement

A sample agreement was developed to address issues raised during the August 24, 2021 discussion.

The sample agreement also borrows upon elements of action taken/planned by the other cities served by Metrocrest.

The City Attorney was involved in the development of the sample agreement.

Following Council's discussion, staff seeks direction from Council.

Questions?