

Quality of Life Council Committee

Meeting Record (DRAFT)

Meeting Date: 12-13-2010

Convened: 12:10 p.m.

Adjourned: 1:58 p.m.

Pauline Medrano, Chair
Vonciel Jones Hill, Vice-chair
Sheffie Kadane
Dave Neumann
Steve Salazar
Carolyn R. Davis

Briefing Presenter(s):

-Lee McKinney, Assistant Director, Office of Economic Development & Jim Reid, President, Momentum, TX, Inc.
-Gary Godsey, President & CEO of United Way of Metropolitan Dallas, Tim Morstad, Associate State Director of Advocacy AARP Texas, Rev. Gerald Britt Vice President of Public Policy & Community Program Development, & Danielle Ayers Minister of Social Justice
-Joey Zapata, Director of Code Compliance & Lieutenant Scott Walton, Interim Manager of Animal Services
-Willis Winters, Assistant Director Park and Recreation

Non Committee Members present:

Jerry R. Allen
Delia D. Jasso
Linda Koop
Tennell Atkins

Staff Present:

Forest Turner, Jimmy Martin, Lisa Christopherson, Della Lowe, Warren Ernst, Erma Saracho

AGENDA:

1. **Approval of the November 8, 2010 minutes**

Presenter(s):

Information Only: _____

Action Taken/Committee Recommendation(s):

Motion to approve the November 8, 2010 minutes.

Motion made by: Vonciel Jones Hill

Item passed unanimously: __X__

Item failed unanimously: _____

Motion seconded by: Sheffie Kadane

Item passed on a divided vote: _____

Item failed on a divided vote: _____

2. **Bank on Dallas – It's Safe and It's Smart**

Presenter(s): Lee McKinney & Jim Reid

Information Only: __X__

Action Taken/Committee Recommendation(s):

Bank on Dallas is a program aimed at working with banks and credit unions to allow low and moderate income Dallas residents that are unbanked or under banked to establish or re-establish banking relationships. Bank on Dallas would: increase the supply of starter bank accounts, raise awareness of potential benefits from the use of the mainstream financial system, provide "second chance" accounts for those who have had accounts closed for unsatisfactory account management, and encourage financial education, savings and asset building. The goal is to create 25,000 new accounts over a two year period. Activities and outreach efforts are underway to make the public aware of the program.

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The FDIC 2009 survey indicates that the Dallas Metropolitan area has 11% un-banked and 23% under banked households, which is higher than the national average. The Brookings Institution research indicates that a low to moderate income person pays up to \$40,000 over a life time to cash checks. Therefore, many entities providing check cashing services aggressively market loans at a high cost that amounts to predatory lending, which are short term small loans that turn into long term debt with high interest rates and/or fees.

Banking the un-banked is important because it reduces high check cashing fees, reduces the risk of theft, personal robbery and assault, reduces the risk of loss in an emergency, may lower the cost of credit, and encourages financial education, savings, and asset building.

Early involvement of financial institutions and regulators is a must. Proactive support by the City is important, strong involvement with community organizations, financial institutions, churches, schools, employers are essential. The Mayor established a Bank on Dallas Task Force chaired by Councilman Jerry Allen and full city support. Banking partners include 19 banks and credit unions.

The goal of increasing income for low and moderate income households will not be achieved if high check cashing fees and predatory lending are not replaced with less costly alternatives.

3. Closing the Loophole, Anti-Poverty Coalition of Greater Dallas

Presenter(s): Gary Godsey, Rev. Gerald Britt, Danielle Ayers, & Tim Morstad

Information Only: X

Action Taken/Committee Recommendation(s):

A payday loan is a small cash advance typically ranging from \$300-500 that is due in full interest and fees in two weeks with a post-dated check or electronic access to a debit account as collateral. An auto-title loan is similar except that a car title is used as collateral. These loans, which are usually several thousand dollars, are due in full, plus interest and fees, at the end of a short term, typically one month. If the borrower can not pay the full amount at the end of the month, the loan company takes the car.

In Texas, there are more than 3,000 payday and auto-title loan locations. This is almost tripling in number in the last four years. Texas has more payday and auto-title loan stores than McDonald's and Whataburgers combined. 59% of payday borrowers in Texas are women. Most are single mothers.

Often these lenders charge up to 500% APR for loans. High fees, short terms, and no partial payments means that borrowers often must borrow again at 500% APR to fill the gap in their family budget. The average payday borrower in Texas pays \$840 for a \$300 loan. The average auto title borrower pays over \$1250 in monthly fees for a \$4,000 loan. Cities worry that payday and auto title loan outfits depress property values, become magnets for crime and give communities a look of economic decline. Therefore, cities and towns across Texas are showing support for reigning in abusive payday and auto-title lending.

Texas has a law capping rates and fees for payday loans. To avoid the complying with the caps, payday and auto title loan outfits have found a loophole in Texas' law. They claim to be "Credit Services Organizations" (CSOs). Instead of making loans, they get around the law by charging

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excessive fees to broker and guarantee loans. Please vote in favor of adopting the resolution by talking to your constituents about this issue. We need your help!

4. **Options for Shelter Adoption Fee Discounts**

Presenter(s): Joey Zapata & Lieutenant Scott Walton

Information Only:

Action Taken/Committee Recommendation(s):

The purpose of the briefing is to provide options for increasing shelter adoptions through discounted fees. Currently, the shelter adoption fees are established in the Dallas City Code, Section 7-2.7 (a)(3)(A). The charge is \$85 for dogs and \$55 for cats. Adoption fees partially offset City costs for spay/neuter, vaccination, microchip, heartworm tests, and a free veterinary check up at participating clinics.

Recent on-site surveys of comparable shelters found that San Antonio and Fort Worth promote adoptions through fees discounts. Therefore, options recommended for the Dallas shelter include: (1) 30% discount on adoption fees offered no more than four times annually, (2) 50% discount on adoption fees offered no more than four times annually, (3) companion adoptions offered throughout the year, (4) senior discounts offered throughout the year.

With direction from the City Council, next steps include developing an ordinance to amend Dallas City Code Section 7-2.7 to allow for discounted animal adoptions and add the ordinance to the Council Agenda for January 26, 2011, for consideration by the City Council.

A motion was made to return to the Quality of Life Committee with an update on the adoption fees before going to full council on February 23, 2011.

Motion made by: Dave Neumann

Item passed unanimously: X

Item failed unanimously:

Motion seconded by: Pauline Medrano

Item passed on a divided vote:

Item failed on a divided vote:

5. **Trail Safety Initiative Memo**

Presenter(s): Willis Winters

Information Only: X

Action Taken/Committee Recommendation(s):

Park staff met with Councilmember Hunt, Forest Turner and the Friends of the Katy trail in October, following the recent trail incidents, and again in early December to review and discuss an action plan that addresses trail safety on the trails throughout the city. A briefing will be presented in more detail to the Quality of Life Committee in February 2011.

Deputy Mayor Pro Tem Pauline Medrano, Chair
Quality of Life Committee