



## How Two Cities Leveraged Financial Empowerment As Connective Tissue for Housing Success

During the COVID-19 pandemic, the federal government provided an unprecedented level of assistance to help residents avoid eviction and make rent. As those funds have phased out, local governments are looking for more sustainable ways to support residents in staying housed, and are paying increased attention to the role that a resident's underlying financial stability plays in maintaining housing. Two cities deployed their [Financial Empowerment Center](#) municipal financial counseling initiatives to support eviction prevention and federal rental assistance efforts. **By connecting financial empowerment to these rental assistance programs, they not only supercharged social service success, but also brought together a unique range of partners to build a cohesive ecosystem around longer-term financial stability.** In both cities, the resulting ecosystems came about after financial empowerment program leaders acted as “connective tissue,” uniting and convening disparate partners serving overlapping clients and interconnected goals.

### SACRAMENTO

In early 2022, federal COVID-19 financial assistance and tenant protections were ending, but Legal Services of Northern California (LSNC) was still seeing an influx of housing insecure Sacramentans in danger of losing their homes. LSNC understood that addressing people's underlying financial stability was a critical missing piece, both to help residents remain in their homes and to support longer-term success. To meet this need, LSNC connected with the City of Sacramento's Financial Empowerment Center (FEC), which provides professional, one-on-one financial counseling as a free public service.

People facing eviction are in an emergency situation; according to LSNC, those receiving legal assistance often end up having to move out regardless of eviction proceedings, creating emotional and financial instability for an individual or family. But LSNC found that, “with FEC counseling, people could get a softer and slower landing,” and sometimes avoid a move altogether. Through the partnership, a financial counselor could help a client find a safe banking account, save money by avoiding fees, and establish a record of paying rent on time, which was impossible with cash. A financial counselor also could help repair or build credit, for housing applications with credit checks; create a savings cushion; secure a no-interest loan to fix a vehicle, ensuring clients could get to work to pay the rent; and help to negotiate payment plans. Increasingly, LSNC started connecting their clients to FEC services as a preventative measure – building in sufficient time to make the referral, create a relationship between client and counselor, and actually see some financially stabilizing outcomes that could support clients in the short and long term.

When the City of Sacramento proposed a collaboration, LSNC saw the opportunity to build in longer-term supports and the critical role that FEC services could play. LSNC was initially skeptical about how this might work for very low-income people. However, they began meeting regularly to plan out the partnership and bring in other community partners interested in supporting residents facing eviction.



“The City can bring people together who might not interact day-to-day; we had no idea how the FEC could help our clients, and might not ever have gotten here if not for the City — with its broader scope and reach — convening folks to think about a partnership in a longer-term light.”

—SARAH ROPELATO, MANAGING  
ATTORNEY, LEGAL SERVICES OF  
NORTHERN CALIFORNIA

With this shared goal and longer-term financial stability lens, the City of Sacramento began to more formally serve as a convener, building the connective tissue to strengthen the relationship and financial empowerment-focused collaboration between LSNC, the City's FEC, and other key housing and rental assistance community organizations. The focus on financial stability, beyond the emergency moment, tied these partners together. The existence of FEC financial counseling as a public service supports and strengthens the foundational social service work that other partners are doing, and builds an ecosystem that can be leveraged in the future – giving clients the time and space to work towards longer-term stability. In the meantime, LSNC continues to refer a range of clients – including people who are housing insecure, those struggling with public benefits or health-related issues, and seniors – to FEC financial counseling services.

## TULSA

In Tulsa, federal COVID-19 emergency rental assistance funds were disbursed through local organizations Restore Hope and Tulsa Responds. The funds were critical to helping Tulsans meet the emergency moment and pay rent, but it was clear to these organizations that the emergency assistance support couldn't last forever – and that to “work themselves out of a job,” they needed to connect residents to broader, long-term supports.



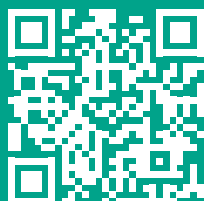
Restore Hope and Tulsa Responds saw FEC services as a way to provide residents receiving rental assistance with more sustainable support that could last beyond the immediate crisis. To make sure their clients took up FEC services, the team, in partnership with the City, took care to ensure their messaging was culturally competent and available in multiple languages, and tested a few different methods of timing the offer of FEC counseling. They found that combining it with the good news of rental assistance approval was the best moment to highlight FEC services – as the person was moving out of the crisis moment and able to think about their longer-term financial stability. Their carefully-crafted messaging set the expectations that FEC was a tool to support financial stability that was complimentary to, and went beyond, the rental assistance funds.

Even before the COVID-19 pandemic and the launch of the FEC, community organizations across the city had been thinking about economic mobility and the importance of collective impact and cohesive action. While each had a different core mission and social service offering, a focus on financial stability and mobility was the critical thread they had in common. As the City of Tulsa planned for and launched their FEC, they convened dozens of these partners to inform FEC operations and provide input on how clients' financial instability impeded their work. That partner ecosystem was then activated during the COVID-19 pandemic; now that this collaborative ecosystem has been created, it can continue to support Tulsans to transition out of crisis and into longer-term financial stability. As the City of Tulsa's Krystal Reyes says, “shorter-term supports can come and go, but the FEC is ongoing infrastructure for all Tulsans.”

**As these two cities continue to focus on helping people maintain their housing, the importance of longer-term financial stability through financial empowerment connections is clear. The financial counseling supports in Sacramento and Tulsa, and their ability to help residents address underlying financial instability, helped to convene and create an ecosystem of partners. Once built, these ecosystems take on a life of their own, connecting key service provider partners to deliver for residents – both during emergencies and to promote broader financial stability and longer-term success, even before emergencies occur.**

“ We live in a world where resources are limited - so we may be able to help with rent this month, but maybe not next month, or next year. As a community, we need to build in tools for people to help themselves in a different, more lasting way.”

—JEFF JAYNES, EXECUTIVE DIRECTOR, RESTORE HOPE



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