



American Rescue Plan Act Updates & Rental Assistance Support

Finance and Governance Committee
May 9, 2023

Council Requests

- 23-0548:
Amends Ordinance No. 591, Series of 2021, as amended by subsequent ordinances, to provide support for the Emergency Rental Assistance Program and the My Spark program; correct allocations to reflect the intent of Ordinance No. 1450 Series of 2022; transfer cash from the ARPA Operating Grant Fund to the ARPA Capital Grant Fund for HOST Shelter Resiliency Projects; and authorize the purchase of capital equipment items.
- 23-0549:
Authorizes an appropriation of \$3,783,756 in the General Fund to make a cash transfer to the Affordable Housing Property Tax and Other Local Revenue Fund, and authorizes an appropriation in the Affordable Housing Property Tax and Other Local Revenue Fund reflecting the cash transfer to support rental assistance programs administered by the Department of Housing Stability.

23-0548 Amending the American Rescue Plan Ordinance

American Rescue Plan Overview: Eligible Uses

City and County of Denver will receive \$308 million in two tranches of \$154 million each



Public health
expenditures



Address negative
economic impacts
caused by the
public health
emergency



Replace lost
public sector
revenue



Provide
premium pay
for essential
workers



Invest in water,
sewer, and
broadband
infrastructure

American Rescue Plan Act in Denver

\$308 million: Total State and Local Fiscal Relief Funds allocated to Denver

- Ordinance No. 591, Series of 2021, established the American Rescue Plan Act Grant Fund, Fund No. 11011, and accepted the Coronavirus Local Fiscal Recovery Fund award agreement with the US Department of Treasury.
- This ordinance accepted the full \$308M identified in the award agreement and included provisions requiring that City Council approve spending in the fund through amendments to said Ordinance.
- Subsequent ordinances amended the original, aforementioned ordinance by authorizing allocations in the “Revenue Loss,” “Recovery,” “Premium Pay,” and “Administration” categories, which collectively made up the first half of the ARPA award (\$154M)
- The second \$154M disbursement arrived in July of 2022 and the majority was allocated through ordinance in November of 2022, after input from the community and review by the SIAC
- There are ***no additional ARPA disbursements coming to Denver***
- The \$308M must be spent by December 31, 2026 (encumbered by 2024)

ARPA Ordinance Amendment

Item 23-0548 requests approval of five actions:

- Allocate \$3,265,445 in the American Rescue Plan Act (ARPA) Grant Fund from contingency to the “Recovery” category to support the Emergency Rental Assistance Program;
- Allocate \$2.5 million in the “Recovery” Category for the My Spark Out of School Time program;
- Correct allocations to reflect the intent of Ordinance No. 1450 Series of 2022;
- Transfer cash from the ARPA Operating Grant Fund to the ARPA Capital Grant Fund for HOST Shelter Resiliency Projects; and
- Authorize the purchase of capital equipment items

Allocation for the Emergency Rental Assistance Program (ERAP)

- In the fall of 2022, the State announced a winddown of ERAP
- The Department of Housing Stability (HOST) identified a \$10M gap to address the continued need for rent and utility assistance based on average spending and number of applications being received through both the federally-funded ERAP and the locally-funded Temporary Rent and Utility Assistance (TRUA) Program in 2023
- This bill request allocates \$3,265,445 in the American Rescue Plan Act (ARPA) Grant Fund from contingency to the “Recovery” category to support ERAP
- Additional funding was identified for the remaining \$10 million, requested through BR-0549
- HOST will present to SAFEHOUSE tomorrow (May 10) on the contract ERAP increase

Allocation for My Spark Out of School Time

- Allocate \$2.5 million in the “Recovery” Category for the My Spark, a stipend program to support fee-based learning enrichment, sport programs for children and families;
- Allocations made available from interest earnings and repurposing program evaluation dollars from the “Administration” category
- The My Spark program is a pilot stipend program supporting children and families that serve Denver Public Schools middle school students in grades 6-8 who qualify for Free and Reduced Lunch, regardless of race, ethnicity, gender identity
- OCA will be presenting more details on their contract in the coming weeks

Cleaning up Allocations

Correct the allocations for the “Premium Pay,” “Administration” and “Revenue Loss” categories, to reflect the intent of Ordinance No. 1450 Series of 2022;

- Premium Pay should be \$8,230,500 now that the program is completed and all adjusting entries are final
- Administration should be \$3,957,236 to reflect the reallocation for My Spark
- Revenue Loss should be \$78,912,270 to reflect the allocations needed in 2023 to continue restored programs previously authorize through the 2023 budget process

Cash Transfer from Operating to Capital Grant Fund

- Transfer approximately \$2.9M in cash from the ARPA Operating Grant Fund to the ARPA Capital Grant Fund for HOST Shelter Resiliency Projects;
- This budget was originally allocated in the ARPA Operating Fund pending a study that would determine whether these funds would be used to support improvements for city or non-city owned buildings.
- Through a Facility Conditions Assessment, the city has determined that approximately \$2.9 million will be used for renovations at two city-owned buildings: Crossroads and the 48th Avenue West Shelter.
- Remaining cash in the operating grant will be used for shelters the city is leasing.
- The \$2.9 million transfer may need to be adjusted as cost estimates for these two facilities are refined.

Capital Equipment Authorizations

In compliance with the DRMC, City Council must authorize purchases of capital equipment above \$50,000

This bill requests authorization for the purchase of capital equipment items in Departments' Revenue Loss allocations:

- Utility Truck and a skid steer for the Department of Parks and Recreation
- Microscope and mass spectrometer for the Denver Police Department

23-0549 Appropriations and cash transfer for rental assistance

Appropriations & Cash Transfer for TRUA

- Appropriate \$3,783,756 in the General Fund, an amount that reflects mill levy revenue authorized through Resolution No. 1579, Series of 2022, and transfer this amount to the Affordable Housing Property Tax and Other Local Revenue Fund
- Appropriate \$3,783,756 in the Affordable Housing Property Tax and Other Local Revenue Fund
- These dollars will be supplemented by \$671,899 in cash available in the Affordable Housing Incentive Fund to support a total increase of \$4,455,655 to the TRUA contract
- HOST will present at SAFEHOUSE tomorrow (May 10) on the TRUA contract increase

Summary of Sources for \$10 million in 2023 for Rental Assistance Programs

	Description	Amount
Ordinances		
	BR23-0548 (ARPA)	\$3,265,445
	BR23-0549 (mills)	\$3,783,756
Existing HOST Resources		
	ARPA Reallocation (AHF)	\$2,278,900
	Affordable Housing Incentive Fee Fund	\$671,899
	TOTAL	\$10,000,000

Questions

Appendix

American Rescue Plan Act in Denver

Restored services and supplemental services:

- In 2021, the city allocated \$29M in ARPA funding for restored/supplemental services for the fall
- In the 2022 budget, \$25M these investments were annualized in ARPA; the city also began to use a "step-down" methodology to move \$23M in services to the General Fund
- The 2023 budget continued the "step-down" and left \$10.4M in programs in ARPA
- **The 2024 budget will move all ongoing programs to the General Fund in 2024**

ARPA Recovery

- Recovery investments have been allocated in 2021 (\$73M) and 2022 (\$143M), a process that involved community input, the Stimulus Investment Action Committee (SIAC), and City Council
- **In June this year, DOF will work with agencies to understand progress against program timelines to ensure agencies have plans to spend their ARPA Recovery allocations by the 2026 deadline**

ARPA State and Local Fiscal Recovery Fund: Compliance and Reporting Requirements

U.S. Treasury Key Principles:

- Balance **simple and rapid program access** widely across the community and maintaining a **robust documentation and compliance regime**.
- Promote equitable delivery of government **benefits and opportunities to underserved communities**.
- **Transparency and public accountability** are critical to trust in all levels of government.

Required Reporting Categories:

- Community engagement
- Use of Funds
- Promoting equitable outcomes
- Labor Practices
- Use of Evidence
- Expenses by Expenditure Category
- Project Inventory

Restored Mills in 2022 due to SB21-293

Mill	Estimated Impact of SB21-293 to Mills	Amount after Final Certification	Amount Proposing to Restore	Mill Restoration
General Fund	(1,168,331)	(1,179,466)	3,783,756	0.176
Capital Improvement Fund	(447,533)	(450,257)	450,257	0.021
Human Services	(526,429)	(530,103)	530,103	0.025
Fire Pension	(220,937)	(222,413)	222,413	0.010
Police Pension	(263,725)	(265,485)	265,485	0.012
Affordable Housing	(86,309)	(86,900)	86,900	0.004
Developmentally Disabled*	(205,676)	(230,838)		n/a
Capital Maintenance*	(600,110)	(603,694)		n/a
Bond Principal/Interest*	(1,760,438)	(1,769,758)		n/a
TOTAL	(5,279,488)	(5,338,914)	5,338,914	0.249