# 2022 Mayor's Proposed Budget

September 17, 2021



# Agenda

- Financial Overview
  - Economic Overview
  - Revenue Overview
- 2022 Budget Priorities
  - Budget Priorities
  - Economic Recovery
  - Housing Stability and Homelessness Resolution
  - Keeping People and Neighborhoods Safe
  - Other Budget Highlights
- Federal Funding
  - ARPA



# **Financial Overview**

Brendan Hanlon, Chief Financial Officer



### Coronavirus Relief Funds 2020 - 2021

Colorado Recovery Plan 2021 - 2024

American Rescue Plan Act 2021 - 2024

Elevate Denver Bond 2017 - 2027

2021 GO Bond 2021 - ~2031

**Annual City Budget** 

# Denver's Financial Plan for Economic Recovery

Leveraging multiple financial resources to galvanize a long-term economic recovery



# **2022 Proposed General Fund Budget** \$1.49 billion

The proposed budget primarily focuses on restoration and represents an increase over recent years:

**12.6%** increase over the 2021

budget, and a 3.8% increase over

2019 actual expenditures

**14.2%** 2022 Fund Balance

The City has a goal of a 15% fund

balance, and a minimum is 10%. The

Fund Balance for 2020 was 12.4%



# **Economic Overview**



# **Economic Strengths and Vulnerabilities**

## The Upsides



Denver's uptick in vaccination rates



Consistent, sustained early revenue recovery



Anticipated easing of supplychain issues

## **The Vulnerabilities**



Eligible but unvaccinated people leading to resumed restrictions



Labor shortage



Conclusion of expanded federal protections/support



**Persistent inflation** 



Inequality in the recovery



## **Economic Recovery Underway, but Fragile**

## **Optimistic Signals of Recovery**

- Better than expected single-digit August national unemployment rate
- Many businesses are moving forward with reopening
- Home sales are strong
- Home construction back to pre-pandemic levels
- Consumer Spending levels over summer better than expected

## Concerns

- Slowed rate of job growth with jobless claims remaining stubbornly high
- Lack of additional federal fiscal stimulus that largely propped up prior consumer spending
- Slide in consumer sentiment
- Considerable uncertainty remains regarding public health as well as sustainability of economic recovery to date



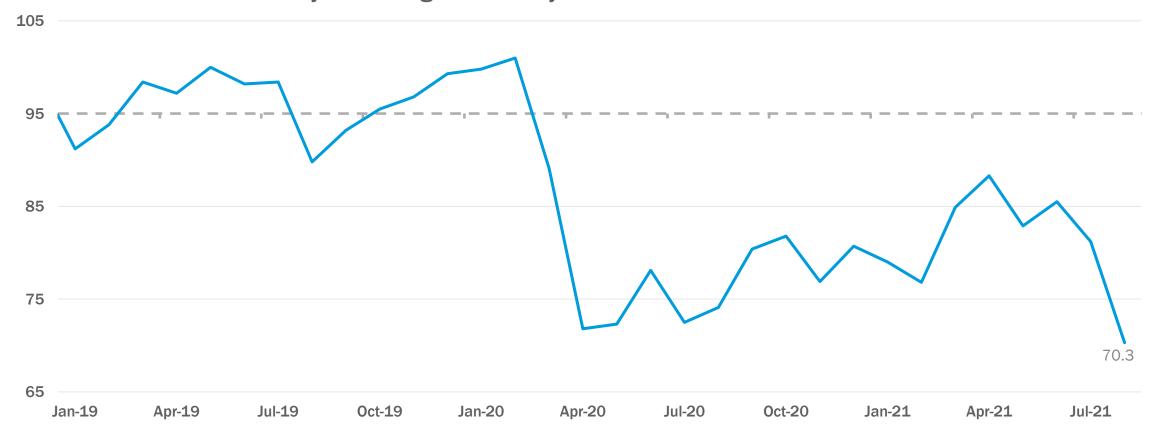
# 2021 Economy

- The rollout of vaccines in spring led to sharp increases in consumer confidence, household spending, and a return of domestic tourism throughout summer with optimism that the pandemic was behind us
- While the onset of the coronavirus Delta variant is damaging to economic recovery, this wave is proving to be substantially less disruptive
  - Consumer sentiment has fallen sharply along with lagging consumer spending as a result of increased caution around travel and restaurant dining
  - Vehicle sales likely to be weaker given supply constraints
  - Rate of vaccinations anticipated to increase
  - Business confidence continues to remain high and expectations for continued job growth remain
- Strength of economic recovery is clearly tethered to public health
- As additional data comes in, assumptions and projections will be updated



# **Consumer Sentiment**

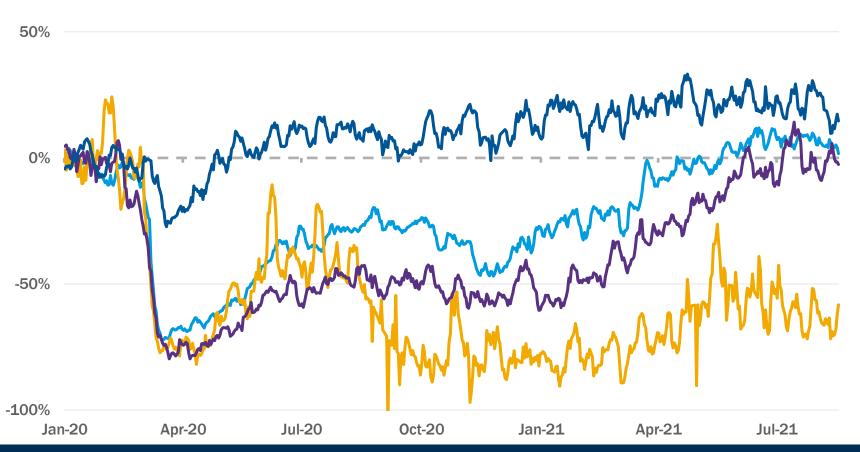
#### University of Michigan Monthly Consumer Sentiment Index for US





# **Bankcard Spending**

Percent Change in Consumer Spending for Denver (compared to January 2020 and seasonally adjusted)



- —Restaurants & Hotels
- —Entertainment & Rec.
- —Transportation
- -Retail

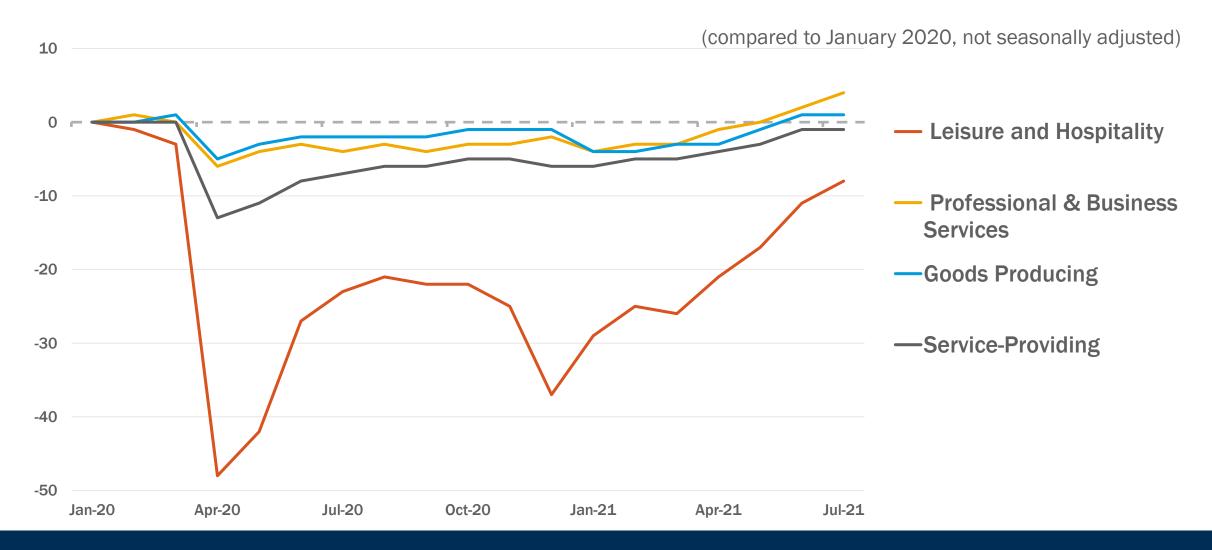


# **Unemployment Rate**

(not seasonally adjusted) 15 14.4 —Denver 13.4 12.7 —Colorado —National 12.2 10.5 10 ┌ 7.8 ┌ 7.3 7.5 6.6 6.4 5 4.5 Jan-20 Apr-20 Jul-20 Oct-20 Jan-21 Apr-21 **Jul-21** 



# Percent Change in Employment by Industry



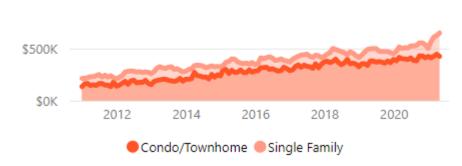


## **Lodging Activity**





## **Housing Prices**



**Median Sold Price** 

Median Sold Price (Denver County, August 2021)

\$412,500 Condo/TH

\$614,000

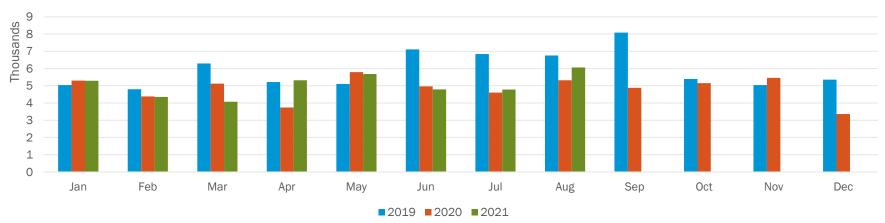
Single Family



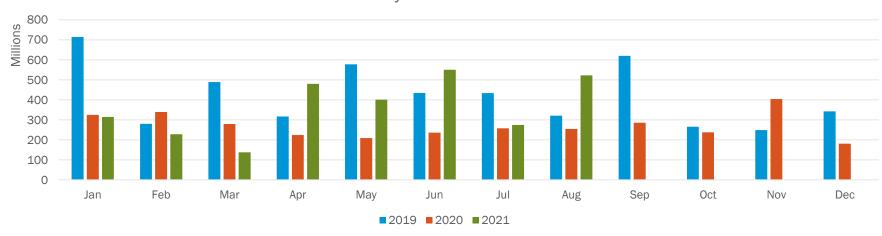


## **Construction Permits**



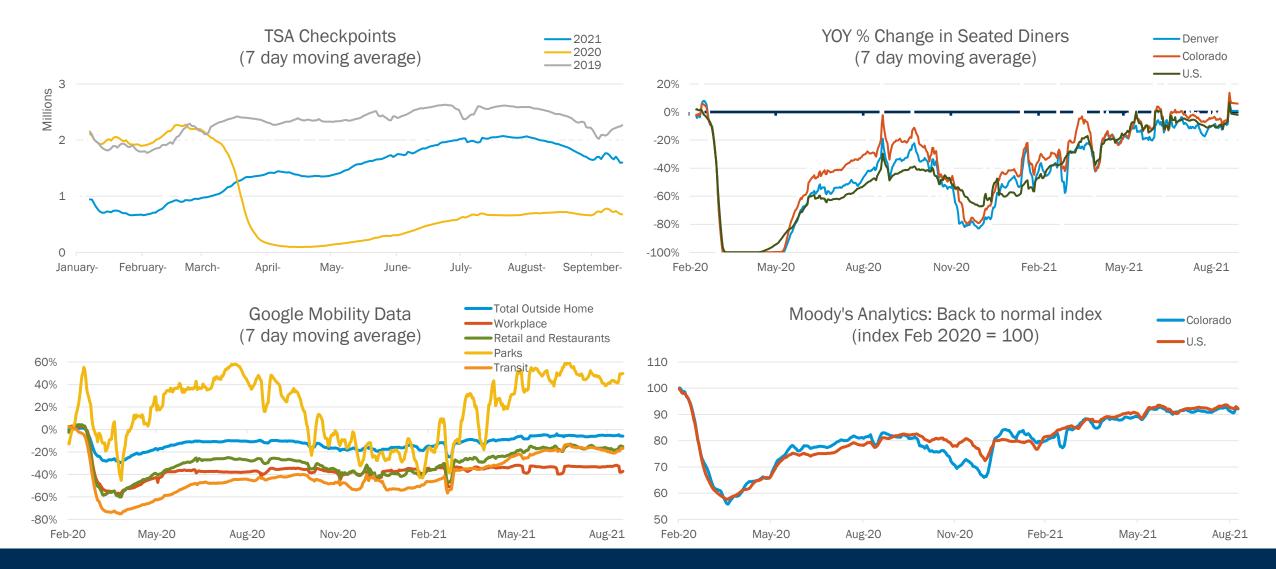


#### Monthly Permit Valuations





# **High-Frequency Measures**





# **General Fund Revenue Forecast**

2021 Revised Forecast

2022 Original Forecast



# **Revenue Projections**

#### **2021** Revised Forecast

#### 2021 Total Revenue Forecast: \$1.39B

- Reflects y/y increase of \$113m or 8.9%
- Original \$1.33B revised up to \$1.39B
- 4.5% increase over original 2021 budget
- Contributors to y/y revenue gains
  - Sales and Use Tax: \$133m, 20.9% y/y
  - Property Tax: \$11.5m, 7.6% y/y
  - Lodgers' Tax: \$8m, 60.0% y/y
  - Parking Fines, Lots, Meters: \$7.1m, 26.1% y/y
- Drawing down on growth
  - Internal Billings: -\$46.9m, -77.8% y/y

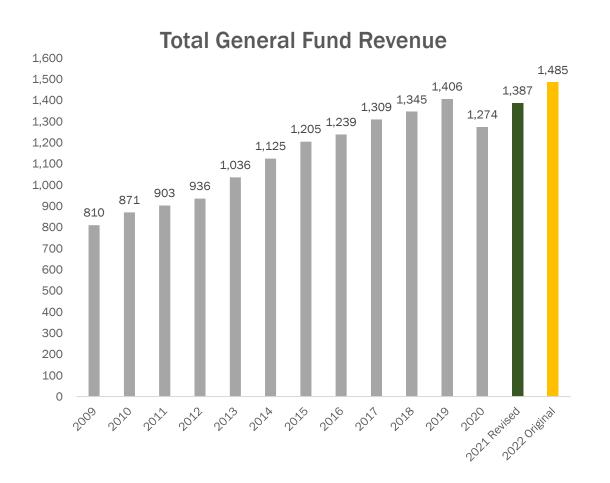
#### 2022 Forecast

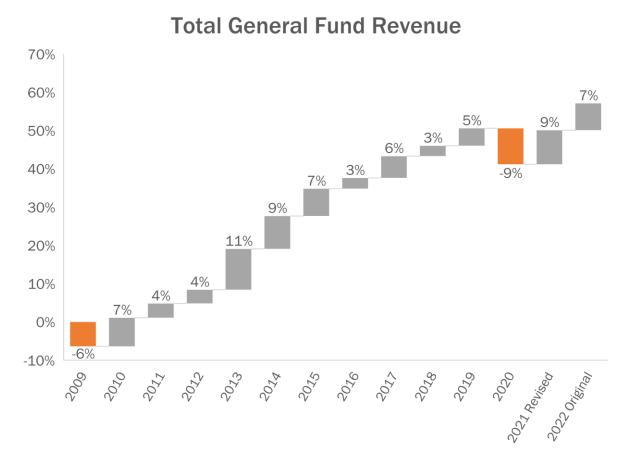
#### 2022 Total Revenue Forecast: \$1.48B

- Reflects y/y increase of \$97.5m or 7.0%
- Contributors to revenue gains
  - Tax Revenue: \$63.4m, 6.1% y/y
  - Excise Tax Transfer: \$13m, 34.9% y/y
  - Parking Meters: \$9.8m, 105.4% y/y
  - Parking Fines/Traffic Court Fines: \$7m, 26% y/y
  - Parks and Rec Miscellaneous: \$2.9m, 103% y/y
- Revenues with a slower recovery
  - Occupational Privilege Tax
  - Lodgers' Tax
  - Construction and Excavation Permits



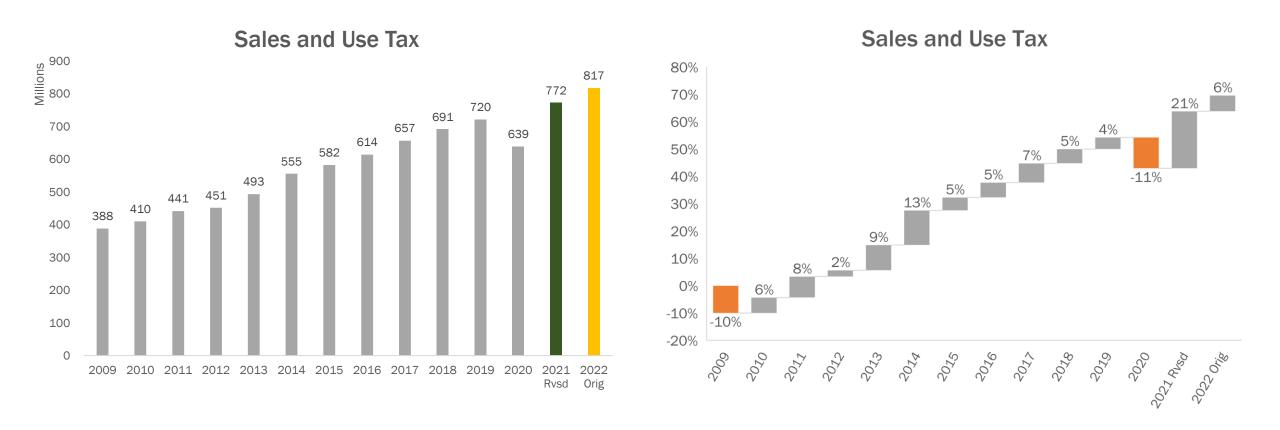
## **General Fund Forecast**







## **Sales and Use Tax Forecast**

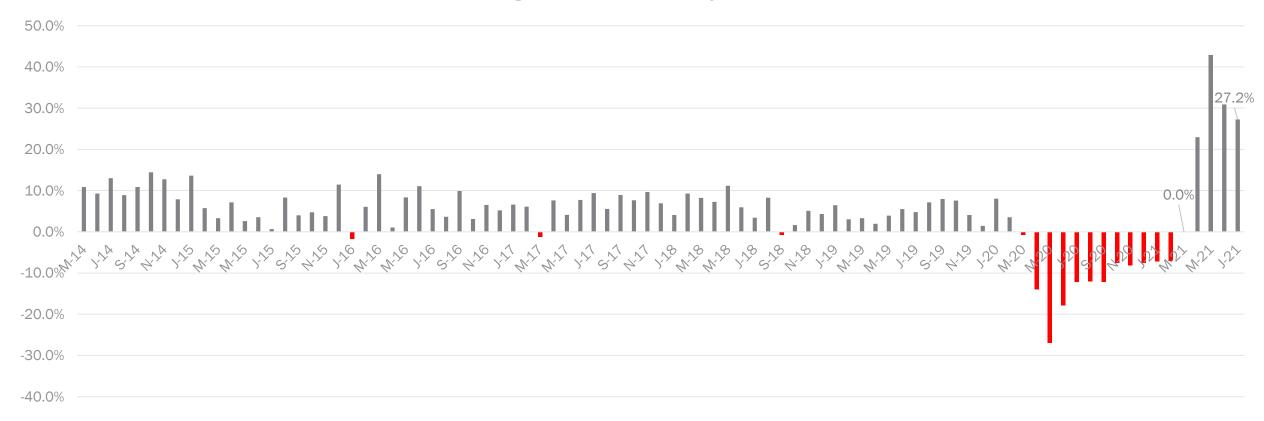


Note: 2021 factors in new sales tax revenue from out-of-state retailers and expiring TIF districts.



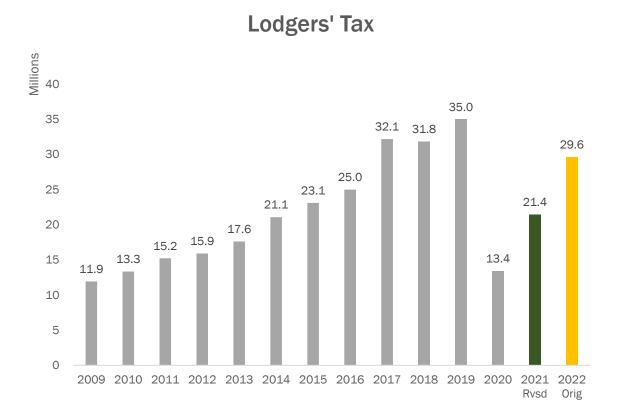
# Sales & Use Tax History

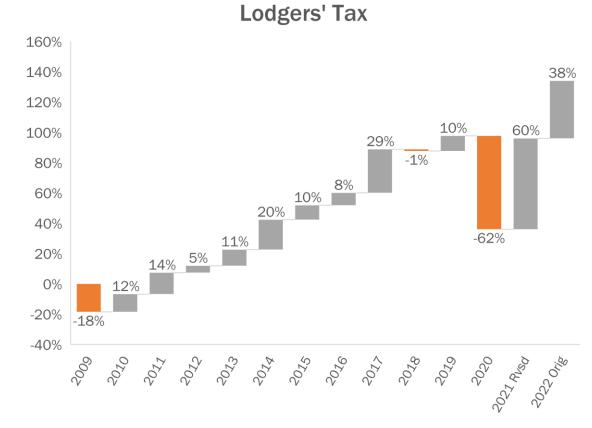
Year-Over-Year Percent Change in Denver's Monthly Core Sales and Use Tax Revenue





## **Lodgers' Tax**

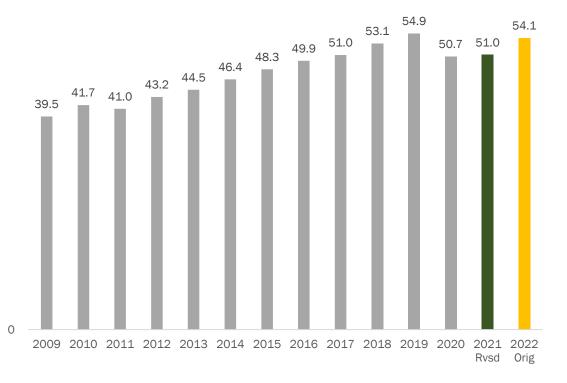




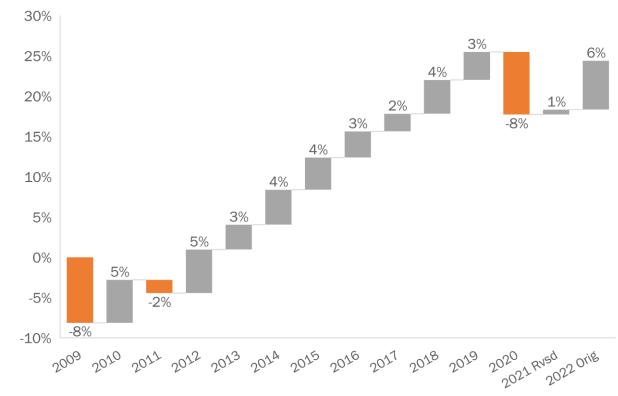


## **Occupational Privilege Tax**

#### **Occupational Privilege Tax**



#### Occupational Privilege Tax

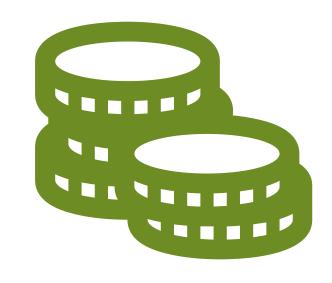




## **General Fund Revenue Increases**

Expected Revenue Increases as a result of:

- Parking fee increase effective 1/1/2022 dedicated to mobility investments
- Rental Registry revenue
- Vital Records revenue





# **Budget Priorities**



## 2022 Budget Priorities: An Equitable Recovery



**Equity** 



**Economic Recovery** 



**Housing and Homelessness Resolution** 



**Keeping People and Neighborhoods Safe** 



# **Budget Equity Framework**

**Goal:** Provide a decision-making framework for city agencies/departments to balance budget priorities or adjustments to make necessary decisions and meet the demands of a growing city with limited fiscal resources.

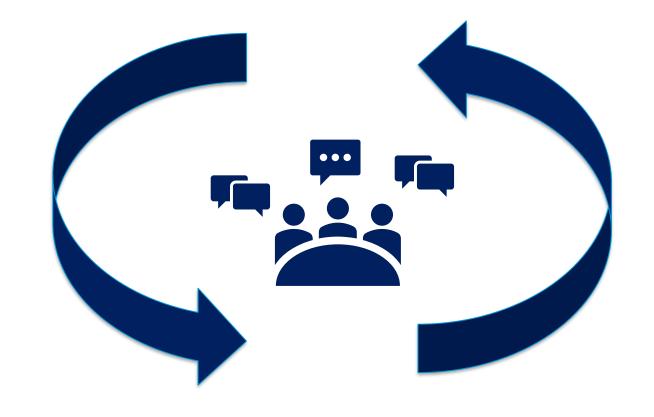
The Opportunity: Each budgetary adjustment provides an opportunity to prioritize creating equitable results to avoid a disruption of services to historically marginalized communities of color, First Nations/Indigenous and under resourced communities.

The What: The Budget Equity Framework <u>questions</u> are used to operationalize a process into the city-wide budget as agencies/departments allocate economic resources to meet the diverse needs of the people we serve.



# **2022 Budget Equity Process**

The Mayor's Office of Social Equity and Innovation was involved in all budget meetings to coach, review proposals, consider mitigations, and provide feedback.





# City Council Budget Priorities

- 1. Focus on evolving our community engagement and customer service to support residents navigating City services, resources and accessibility including language access.
- Increase affordable housing options and support for those experiencing homelessness
  throughout our city. Mitigate and reduce involuntary displacement of community members and
  businesses.
- 3. Reframe safety in a public health, evidence-based and anti-racist approach with community investment to ensure healthy neighborhoods.
- 4. Prioritize and support the recovery, resilience and encourage innovation of our workforce, local businesses, and community organizations.
- 5. Protect our natural environment through policy and invest in communities to combat climate change.
- 6. Increase complete multimodal transportation connections throughout the city.



# **Budget Priorities: Economic Recovery**



## **Economic Recovery**

Infrastructure enhances our neighborhoods, preserves and creates needed community assets, stimulates economic activity and supports good-paying jobs for our workforce. The 2022 budget will continue to level the playing field and create resiliency for our small, women- and minority-owned businesses.

## Highlights:

- More than \$200 million in capital infrastructure funding for transportation and mobility, parks and recreation, and city facilities.
- Nearly \$25 million to support the scale up of our workforce development, youth apprenticeships and construction career programs, and begin to bolster a climate action workforce.
- \$5.7 million in marijuana tax revenue to establish a new business development program and to level the playing field by prioritizing small and minority- and women-owned businesses throughout the economy, as well as those looking to break into the marijuana industry.



# REBUILDING AN INCLUSIVE AND SUSTAINABLE ECONOMY: INFRASTRUCTURE

#### RISE GO Bond (\$450m)

Creates Jobs & Stimulates Economy

Creates and Supports 7,500 Jobs

\$1 Billion in Economic Output

Preserves and Creates new community assets

Improves accessibility & transportation safety

#### **ARPA**

Community & Small Business Recovery Needs

#### **Community Recovery:**

Support increased
Affordable Housing, Mental
Healthcare, Food and
Childcare Access, and
Safety

#### **Business Recovery:**

Strengthen and grow existing small businesses
Provide opportunities for new small businesses and entrepreneurs

# Infrastructure Bill (pending)

~\$550b proposed new federal investment in roads, bridges, water, resilience, internet, etc.

## <u>Transportation Infrastructure:</u> Roads, bridges, transportation

safety, public transit, zero emission vehicles, passenger and freight rail, airports, ports, waterways

Resilience: Community resilience of physical and natural systems

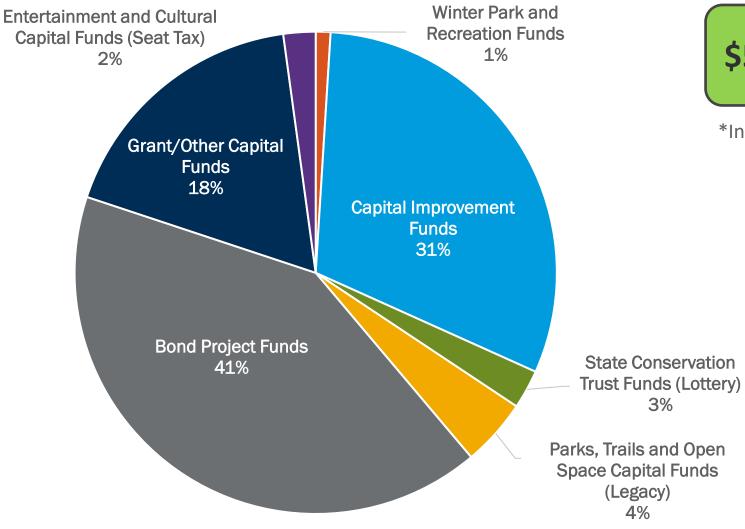
Water, Broadband, Environmental Remediation, Power Infrastructure

#### City 2022 CIP Budget

Over \$200 million appropriated to capital projects in transportation, facilities, parks and recreation

Complements RISE GO
Bond project list and
positions projects for
future federal and state
funding opportunities

# **2022 Capital Funding By Source**



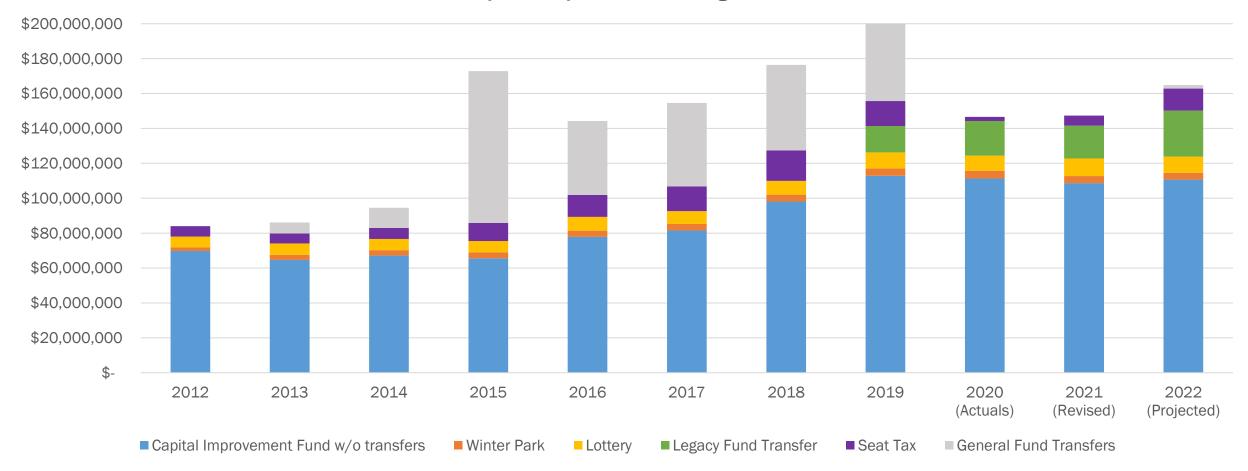
\$585M in Capital Funding\*

\*Includes fund balance and general fund transfers.



## **10 Year CIP Revenue Profile**

#### **Annual Capital Improvement Program Revenue**





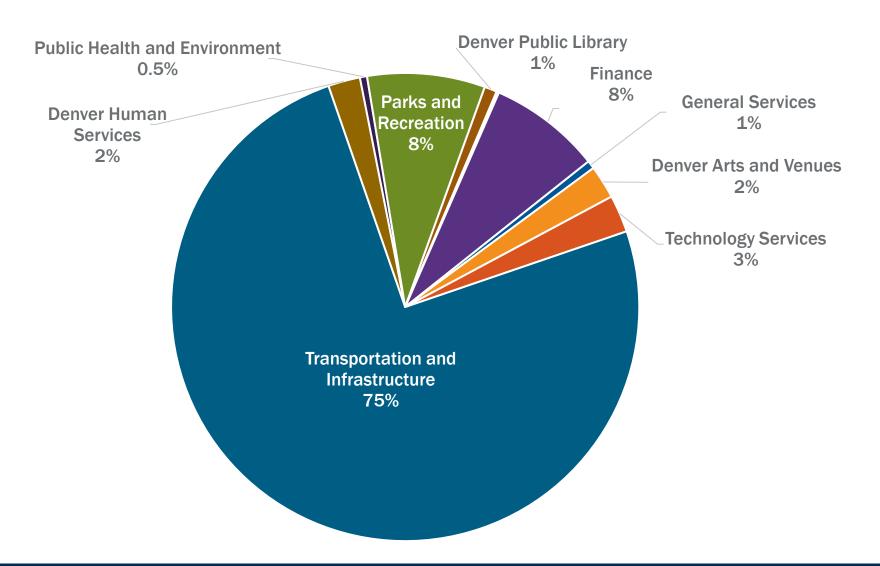
# Annual Capital Planning Process Strategies

# Several key strategies guided the 2022 capital planning process:

- Support a sustainable economic recovery by providing jobs through delivery of capital projects
- Deliver a more equitable City by prioritizing investments in historically marginalized communities
- Continue to invest in maintaining existing assets for use by future generations
- Advance multi-year investment commitments to complete our mobility networks, improve facilities, and protect parks and open spaces



### **2022 Capital Program Funding by Department**

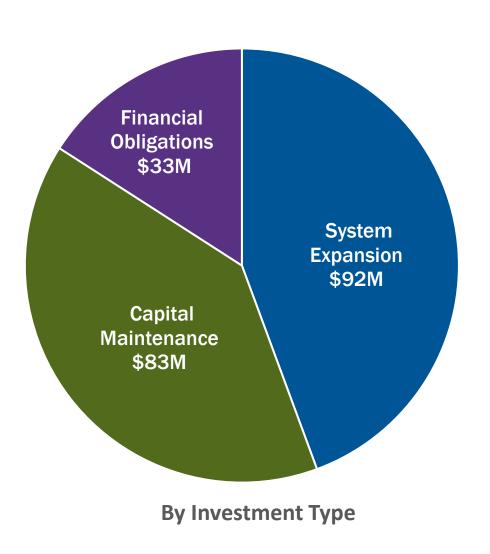


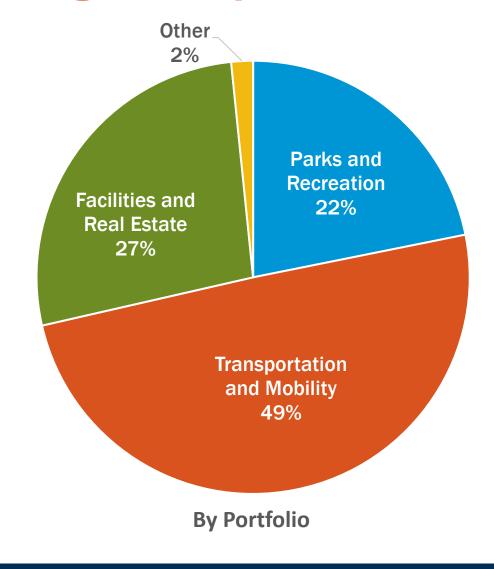
\$579M in Capital Funding\*

\*Does not include almost \$6M held in contingency.



#### **2022 Capital Improvement Program Expenditures**







# **Capital Project Equity Framework**

#### **Overall Budget Equity Framework**

Capital Project Equity Framework

#### **Planning**

Consideration of how the City makes capital funding decisions that result in equitable infrastructure outcomes.

#### **Programming**

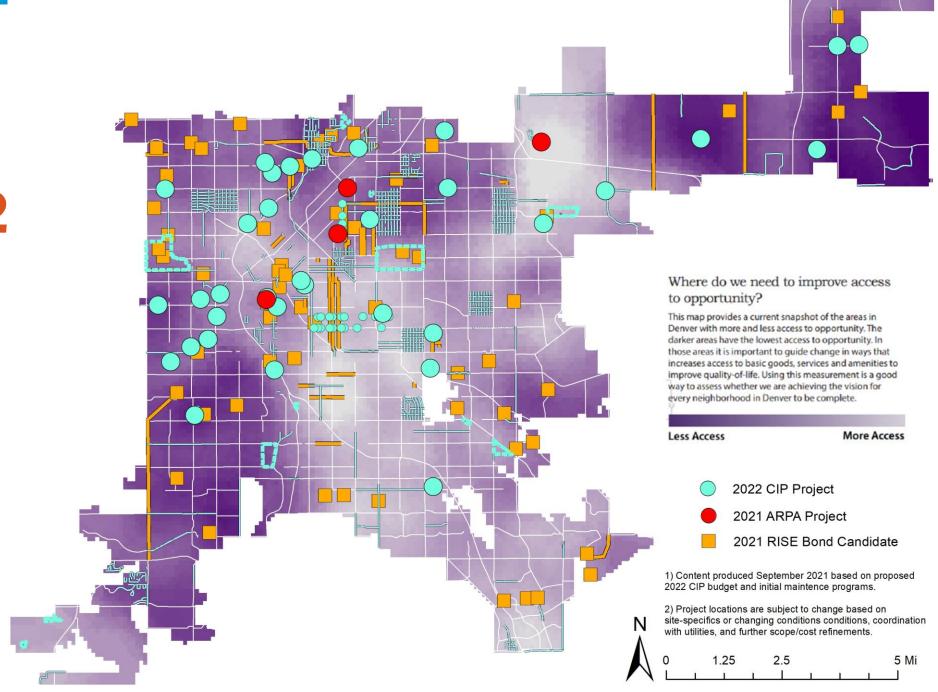
How departments allocate and scoping program budgets to create equitable outcomes.

#### **Implementation**

Deliberate, inclusive actions departments that mitigate impacts of disruption to identified communities.



2021-2022
Capital
Project
Locations



# 2022 CIP Project Highlights\*



- Almost \$18M to complete bike, pedestrian, and transit connections
- \$3.5M for safety and innovation
- Strategic Transportation Plan \$1M
- Alameda Underpass Design \$4M
- Santa Fe Streetscape Design \$1.5M
- I-25 Sound Mitigation Study \$500K
- Gateway Roads and Medians -\$1.8M



- Central Branch Library Modernization - \$5M\*\*
- ADA Improvements \$5.9M
- City Building Security Enhancements (Webb) - \$3M
- Red Rocks Parks and Amphitheatre Improvements- \$3.1M
- Westwood Community Center Improvements- \$600K



# Parks and Recreation

- CCC Camp Restoration \$3.5M
- Barnum Rec Center Deferred Maintenance Improvements - \$2M
- Ruby Hill Infrastructure \$3.2M
- Downtown Tree Canopy Expansion \$2M
- Heron Pond Improvements \$3.8M
- S. Platte Trail Reconstruction \$1M
- Civic Center Promenade \$650K

<sup>\*</sup>Not inclusive of all funded projects

\*\*To be matched by \$5M from Elevate Bond Library
funding

## **Other CIP Highlights**

- Mobility Action Plan (\$85M)
  - \$5.7M for transit a **1,000 percent** increase over previous years' budgets
  - \$6.9M to continue building out the bike network
  - \$4.8M for sidewalks
  - \$3.5M to improve transportation and mobility safety.
- Platte to Park Hill project savings (\$21M)
  - \$3.4M for Globeville Levee (complements \$7M in Wastewater 2022 Budget)
  - \$14.4M for 48<sup>th</sup> Avenue drainage (complements \$7M in Wastewater 2022 Budget)
  - \$3.78M for Washington Street Area Connectivity
- 2022 Participatory Budgeting Program continuation (\$1.7M)
- National Western Center
  - Campus Energy Support (\$644K)
  - Livestock Exchange Building reimbursement (\$8.45M)
- Project Delivery Support
  - Professional services (\$1.7M)
  - Continued charging of bond and project management staff to Elevate Denver Bond (\$3M)



# Other CIP Highlights: Energy Performance Contracts

- \$18M planned investment for energy improvements at 44 buildings
- Lighting, HVAC, window and insulation, and solar panels
- Proposed financing through a capital equipment lease to be repaid through guaranteed annual utility savings
- Additional funding from Climate Protection Fund and CIP
- Anticipate legislative actions on contracts, capital lease, and funding appropriations in Q4 2021



# **Proposed 2021 RISE GO Bond Program**

Total Project Value Including Purpose Contingency: \$450,030,000

- 88 distinct projects
- Companion ordinance designates projects and level of funding to be undertaken with proceeds of GO bonds if authorized by voters

Ballot Question/Purpose	Par Amount (Principal)*
Denver Facilities	\$104,040,000
Housing and Sheltering	\$38,600,000
Transportation	\$63,320,000
Parks and Recreation	\$54,070,000
National Western Campus Facilities	\$190,000,000

\*Include \$15M program contingency.



# 2021 RISE GO Bond Proposed Projects Jobs & Economic Impact

7,580 Jobs



\$1 billion in economic output



\$483 million in labor income





# 2022 Investment Impact Fund











Bond
Projects
Greater than
\$10 million

1%
Match

Funds to
Support
Impacted
Communities



# **Workforce Training & Career Development**

Nearly \$25 million to support the scale up of our workforce development, youth apprenticeships and construction career programs, and begin to bolster a climate action workforce



# 2022 Budget Highlights: Workforce

- Denver Construction Careers Program:
  - \$2 million expansion
  - \$3.2 million total investment
- CareerWise Youth Apprenticeship program: \$286,000
- New Climate Workforce:
  - \$4.5 million to support recruitment, barrier reduction, up-skilling and reskilling to bolster a climate action workforce.
- Community Organizations Support: \$17 million from local, state and federal sources for:
  - skills training
  - micro credentialing
  - pre-apprenticeships
  - digital literacy
  - adult education
  - language and job-placement support



# **Business Recovery Investment**

New Business Development Fund = \$5.7 million

American Rescue Plan = \$10 million



# 2022 Budget Highlights: Business Recovery

#### New Fund Supporting Business Development:

- \$5.7 million in marijuana tax revenue to establish a fund to improve funding access to small and minority- and women-owned businesses throughout the economy, including those looking to break into the marijuana industry
- Goal is to leverage private investment to achieve a \$50 million fund in the future

#### Aerotropolis:

 \$500,000 toward our partnership with surrounding communities to vision the economic opportunities of a regional Aerotropolis to support local businesses and local workers

#### Downtown Business Resiliency:

\$1 million to support 16<sup>th</sup> Street Mall business resiliency prior to and during 2022 construction



# **Community Investment**

American Rescue Plan = \$11.8 million

Climate Protection Fund = \$20.2 million



# 2022 Budget Highlights: Community

#### Climate Investments:

- \$5 million from the Climate Protection Fund to increase access to cooling and green space, improve infrastructure, and reduce vulnerability to flooding, specifically to benefit disproportionately impacted communities
- \$11.5 million from the Climate Protection Fund to support projects such as solar carports and subsidized community solar subscriptions for low-income households, while also providing solar power to the public-serving facilities where they are located

#### Comprehensive Community Needs Assessment:

- \$50,000 to assess all neighborhoods vulnerable to displacement for recommendations regarding geographic and programmatic focus areas for NEST (DEDO)
- Improving Government Accessibility:
  - Increases in translation and interpretation throughout the City
  - Creation of the Language Access team (HRCP)
  - Additional American Sign Language support
- Maintain the Legal Defense fund: \$500K (HRCP)
- Assessment to determine effective citywide community outreach approach (HRCP)
- Adds family advocate coordinator to the Office of the Medical Examiner (DDPHE)



# **Housing & Homelessness Resolution**



# **Housing Stability & Homelessness Resolution** \$190 million

**Homelessness Resolution 2022** Budget + **2B** + **ARPA** 

\$90 million

**Affordable Housing Fund** \$31.9 million + \$28 million ARPA Infusion

\$59.9 million



### **Housing and Homelessness Resolution**

The 2022 budget supports housing access programs like down-payment assistance and homeownership counseling, more hotel and motel rooms, more tiny home villages, safe outdoors spaces, safe parking spaces, housing vouchers, wrap-around services and programs to keep people from falling into homelessness in the first place, like rental and utility assistance, eviction protection, and creating and preserving existing affordable homes.

#### Highlights:

- \$31.9 million in projected revenues for Denver's dedicated Affordable Housing Fund
- \$1.7 million to support a new Affordable Housing Development Team to prioritize these projects for permit review and approval
- \$40.9 million from the Homelessness Resolution Fund for housing supports and services, shelter and services, and acquisition and development of housing and shelter at sites that combine multiple uses, as well as \$15 million to help 585 households regain stable housing and create an additional 180 units of supportive housing paired with services
- \$3.9 million to support 370 new and existing units of supportive housing.



# Housing Stability & Homelessness Resolution: Additional Highlights

- \$8 million additional funds for improved services for shelter guests at the 48th Avenue campus serving men, women and transgender individuals with around the clock shelter and supports, an increase of \$3 million over 2021
- \$2.8 million additional 19 outreach workers for city's Early Intervention Team
- \$1 million non-congregate/motel vouchers for emergency responders to provide to people leaving jail without a place to stay and to people sleeping outside
- \$738,000 additional 6 positions in General Services to support a new Facilities Shelter
   Team
- \$125,000 Parks & Recreation support for Safe Outdoor Spaces for handwashing stations, port-o-lets and fencing



# Housing and Homelessness Resolution: ARPA Federal Funding

The city also proposes to invest, pending City Council approval, a \$28 million infusion of ARPA funds to the Affordable Housing Fund and \$20 million to support additional homelessness resolution services.

#### Highlights:

- \$7.4 million to make physical improvements to the city's 48th Avenue Shelters to reduce barriers to traditional shelter
- \$3.5 million for life/safety improvements in city-owned recreation centers to enable them to serve as emergency shelters
- \$6.3 million to support alternatives to shelter such as Safe Outdoor Spaces, Safe Outdoor Parking and tiny home villages, as well as increase the number of rapid rehousing/rapid resolution services for people experiencing homelessness



# Keeping People & Neighborhoods Safe



# **Keeping People and Neighborhoods Safe**

Hire First Responder Vacancies in Sheriff, Fire, Police & 911 \$13.6 million

**STAR Expansion** = \$1 million (\$3.8 million total)

New DSD Crisis Response Team = \$1 million

Assessment Intake Diversion Center = \$947,000



#### **Keeping People and Neighborhoods Safe: Preventing Crime**

The 2022 budget seizes opportunities to meet the challenges of policing in America today including hiring and training officers to better meet the needs of the communities they serve, more patrols and more resources for hotspot areas to help communities address the underlying causes of crime.

#### **Highlights:**

- \$2.8 million in local and federal funds to continue a new collaborative crime-prevention initiative in hotspot areas
- \$1.4 million for two Street Enforcement Teams of six people each for non-uniform public safety and code enforcement
- \$1.5 million to keep downtown parks safe and maintained
- \$351,000 to add another medical unit to serve the Federal Boulevard corridor and east of the central business district
- \$665,000 to expand work around youth violence prevention, including pop-up events, community micro-grants, and multi-sector collaboration between the city and community-based organizations



# **Keeping People and Neighborhoods Safe: Transforming Public Safety**

Safety should mean the right response at the right time for people in crisis. The 2022 budget continues work to transform public safety from a one-size-fits-most to a more targeted response and alternative interventions that recognize the distinction between mental illness and criminal activity.

#### Highlights:

- \$1 million expansion to continue the city-wide expansion of the Support Team Assisted Response Program (STAR) for a total investment of \$3.8 million, when combined with funds from Caring for Denver (DDPHE)
  - Continued support for Co-Responders Program (DDPHE)
- \$947,000, including \$750,000 from Caring for Denver, to create an Assessment Intake Diversion (AID) Center to serve as an additional alternative response to the criminal justice system
  - Continued support for the Solutions Center a 46-bed crisis-stabilization facility for people experiencing a behavioral health emergency (DDPHE)
- \$1 million for a new Crisis Response Team to provide emergency mental health support in Denver's jails
- \$777,000 to increase body-worn cameras inside the jail
- \$769,000 in additional services for the Tooley Hall re-entry program



# Other Budget Highlights



# **Personnel Budget**

- No 2022 furloughs
- 3% merit increase
- DERP:
  - Additional 0.6% required and will be paid by the City as employer
  - Shifts 0.4% of employee contribution to the City as employer, effectively increasing net pay for employees
  - As a result of the two actions above, the City's overall contribution to DERP will increase to 1%



# **Addressing Recruitment and Retention**

#### **Recruitment Strategies**

- Adding 7 recruiter positions
- Restored \$100k for recruitment advertising
- Restored an Equity and Diversity Officer in OHR
- Enable and advertise hiring bonuses for targeted roles

#### **Retention Strategies**

- Workforce Readiness Program to develop internal talent to fill critical positions in the organization at every level
- Mentorship cohorts: Executive sponsored program to identify & grow key talent
- EDI teams identify strategies to bolster inclusion and equity for citywide impact



# Notable Increases for Outreach

- Increase FTE in 311 to decrease hold times (TS)
- Increase to Media services to create streaming video strategy for hybrid and virtual public-facing meetings (TS)
- Creation of the OSEI Office 6 FTE

#### **Included in Community Investments Slide:**

- Increases in translation and interpretation throughout the City
- Creation of the Language Access team (HRCP)
- Maintain the Legal Defense fund at \$500K (HRCP)
- Assessment to determine effective citywide community outreach approach (HRCP)
- Adds family advocate coordinator to the Office of the Medical Examiner (DDPHE)



# Notable Increases for Outreach – Independent Agencies

- District Attorney's Office:
  - Additional staff to support Youth Violence Prevention
  - Implementation of a conviction review unit to research and help overturn wrongful convictions
- Auditor's Office:
  - Additional staff and funding to support prevailing wage, minimum wage, and wage-theft efforts
- Election Division:
  - \$100,000 for 2022 mid-term election outreach



# Office of Municipal Public Defender

- 7 Additional Attorneys to support workload and additional legislative changes
- 4 support staff to assist with backlog of cases
- Increase to create a full-time peer navigator



# Youth Wellbeing Investments

#### 2022 Budget:

- \$665,000 to expand our work around youth violence prevention, including pop-up events, community micro-grants, and multi-sector collaboration between the city and community-based organizations.
- \$286,000 toward CareerWise Youth Apprenticeship program for youth looking to enter the
  workforce or planning their future career. This three-year program engages and exposes high
  school and college students to hands-on training, networking, and professional development
  within city government.

#### ARPA:

- \$1.8 million to support youth wellbeing through out of school time teen programming, vaping and opioid education and prevention (ARPA)
- \$1.4 million to support childcare for working parents
- \$75,000 for a Youth Mental Health Summit (ARPA)



### **Public Health**

- Funds to work with community to continue increasing the vaccination rate and addressing public health needs related to COVID-19.
  - Funds will ensure the equitable distribution of vaccines, testing capacity and other public health needs
- Transfers some public health functions, including epidemiology, data informatics, public health nursing and vital records, from the Denver Health and Hospital Authority to the Denver Department of Public Health and Environment
- Investments into new public health inspectors due to recent legislation and other demands:
  - State mandated school Inspections
  - Public and Right of Way Spaces
  - Residential Rental Program
  - Massage Parlors



# Federal Funding

Coronavirus Relief Funds FEMA Funding American Rescue Plan



### **Primary Emergency Response Funding Streams**

Coronavirus Relief Fund (CRF) – \$127M - Federal

 Broad discretion on uses, must be necessary to responding to and mitigating the Covid-19 emergency

FEMA – \$131.3M (Obligated) -Federal  Includes components for emergency sheltering, testing, PPE, the Emergency Operations Center and vaccinations; the primary source for emergency response

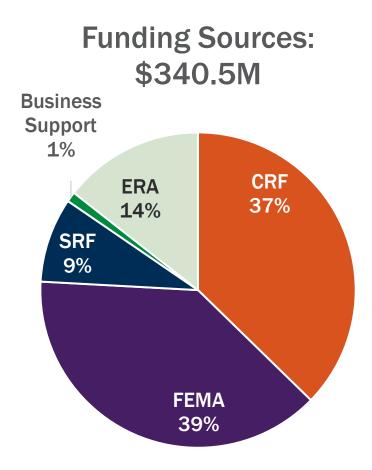
COVID Emergency Response Special Revenue Fund – \$29.6M - City  Initial vehicle for emergency response prior to availability of federal funds; helps accommodate expenses temporarily before reimbursement

Emergency Business Support Fund – \$3.5M - City

 Emergency small business grants to struggling businesses and relief to workers in targeted industry sectors

Emergency Rental Assistance (ERA) -\$49.1M -Federal

 Rental and utility assistance payments to households struggling to remain in their homes, and housing stability services





# **American Rescue Plan Act Funding**

- \$308 million to City and County of Denver from the American Rescue Plan Act (ARPA) in two installments
- First installment of \$154 million received in July 2021
  - \$46 million approved by City Council in July 2021 allowed City to restore services and begin hiring 270 positions and end furloughs
    - In 2022 we intend to maintain the restoration of services with \$25 million of ARPA funds
  - \$73 million is proposed for investments into affordable housing, shelter and services for people experiencing homelessness, business recovery, and community needs like childcare, digital equity, and mental and behavioral health support
- ARPA proposal will be presented for consideration by City Council in coordination with the 2022 budget proposal
- Page 45-46 of the 2022 Proposed Budget



# Financial Sustainability Strategy

To ensure the success of long-term commitments and positions, DOF will evaluate ARPA allocations and shift certain investments back to the General Fund. This strategy allows the City to maintain initiatives and avoid a financial cliff when ARPA funds are depleted.

The 2022 Budget proposes:

\$25m of Round 1 ARPA funds will stay in ARPA, pending a companion ordinance by City Council. These funds support:

- Supplemental services
- Supplies and materials

Moving \$24M of Round 1 ARPA funds into the General Fund. These funds support:

Restoration of permanent positions



# **Proposed ARPA Round 1 Allocations**

- Business Recovery: \$10.1m
- Community Recovery: \$13.3m
- Housing/Homelessness: \$42.5m
- Infrastructure Investments: \$7.7m

**TOTAL: \$73M** 

**NEXT STEP:**CITY COUNCIL PRESENTATION
AND APPROVAL – Q4 2021



# **Proposed ARPA Recovery Allocations**

- Business Recovery: \$10.1m
  - Business Impact Opportunity Grants
  - Entrepreneurship Support
  - Downtown Support Seasonal Activation, Tourism Activation, Vacant Retail Activation
  - Small Business Program Navigators
- Community Recovery: \$13.3m
  - Mental & Physical Health investments
  - Food Access
  - Arts & Culture
  - Neighborhood Activation Grants
  - Code Violation Remediation

- Nonprofit loan fund
- Financial equity study
- Youth/Out of School Time
- Childcare Investments
- Digital Equity investments
- Community Safety Grants



# Proposed ARPA Recovery Allocations, cont.

- Housing and People Experiencing Homelessness Investments \$42.5m
  - Affordable Housing Fund infusion
  - Alternatives to Shelter (ex. Safe Outdoor Spaces)
  - 47<sup>th</sup> Ave Shelter expansion
  - Rapid Resolution/Rehousing
  - Housing Stability Rental Vouchers (pending)
- Infrastructure Investments \$7.7m
  - Recreation Center Life/Safety Improvements
  - Shelter 24hr resiliency renovations



# **Promoting Equitable Outcomes**

- Must incorporate an overall equity strategy, addressing:
  - Goals: are their certain groups these funds will serve?
  - Awareness: how practical is it for groups to be aware of services that are made available with these funds?
  - Access and Distribution: are there difference in access or undue administrative burdens to access programs?
  - Outcomes: are we trying to close gaps or harmonize outcomes across different groups?
- We must describe geographic and demographic distribution of funding



# Summary



# **2022 Budget Summary**

- Fiscally responsible and begins rebuilding our reserves
- Equitable
- Serves as a driving force for our recovery by
  - creating jobs
  - building our workforce
  - supporting our neighborhoods and businesses
- Increases housing stability and works to resolve homelessness for more people
- Prioritizes safety for residents and neighborhoods through communitybased policing and alternative interventions that distinguish mental health from criminal activity



# Questions

