



## Legislation Details (With Text)

**File #:** 23-0548      **Version:** 1

**Type:** Bill      **Status:** Passed

**File created:** 5/1/2023      **In control:** Finance & Governance Committee

**On agenda:** 5/22/2023      **Final action:** 6/6/2023

**Title:** A bill for an ordinance amending Ordinance No. 591, Series of 2021, as amended by Ordinance No. 706, Series of 2021, as amended by Ordinance No. 1145, Series of 2021, as amended by Ordinance No. 1192, Series of 2021, as amended by Ordinance No. 374, Series of 2022, as amended by Ordinance No. 969, Series of 2022, as amended by Ordinance No. 1450, Series of 2022, to allocate spending in the American Rescue Plan Act Grant Fund; to update allocations in spending categories; to transfer cash from the ARPA Operating Grant Fund (11011) to the ARPA Capital Grant Fund (38395); and to authorize the purchase of capital equipment items.  
Amends Ordinance No. 591, Series of 2021, as amended by Ordinance No. 706, Series of 2021, as amended by Ordinance No. 1145, Series of 2021, as amended by Ordinance No. 1192, Series of 2021, as amended by Ordinance No. 374, Series of 2022, as amended by Ordinance No. 969, Series of 2022, as amended by Ordinance No. 1450, Series of 2022, to 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; to allocate \$2,500,000 in the "Recovery" Category for the My Spark Out of School Time program; to correct allocations to reflect the intent of Ordinance No. 1450 Series of 2022; to transfer cash from the ARPA Operating Grant Fund (11011) to the ARPA Capital Grant Fund (38395) for Department of Housing Stability (HOST) Shelter Resiliency Projects; and to authorize the purchase of capital equipment items. The Committee approved filing this item at its meeting on 5-9-2023.

**Sponsors:**

**Indexes:** Lucas Palmisano

**Code sections:**

**Attachments:** 1. DOF\_ARPA\_May092023\_FINGOV\_FINAL presentation final pdf, 2. BMO\_APRA Ordinance Amend\_May 2023\_updatedv2, 3. CB23-0548\_DOE\_ARPA Allocations Amend, 4. 23-0548 Filed Bill\_DOE\_ARPA Allocations Amend, 5. 23-0548 - signed, 6. 23-0548 For an ordinance amending Ordinance No. 591, Series of 2021, as amended

Date	Ver.	Action By	Action	Result
6/6/2023	1	Mayor	signed	
6/5/2023	1	Council President	signed	
6/5/2023	1	City Council	placed upon final consideration and do pass	Pass
5/22/2023	1	City Council	ordered published	
5/9/2023	1	Finance & Governance Committee	approved for filing	Pass

### Finance Item/Grant Request Template

**Date Submitted: 5-1-2023**

**Requesting Agency: Finance Division:**

**Subject Matter Expert Name:** Dan Fechter and Rachel Bardin

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**Phone Number:**

**Item Title & Description:**

*(Do not delete the following instructions)*

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

**A bill for an ordinance amending Ordinance No. 591, Series of 2021, as amended by Ordinance No. 706, Series of 2021, as amended by Ordinance No. 1145, Series of 2021, as amended by Ordinance No. 1192, Series of 2021, as amended by Ordinance No. 374, Series of 2022, as amended by Ordinance No. 969, Series of 2022, as amended by Ordinance No. 1450, Series of 2022, to allocate spending in the American Rescue Plan Act Grant Fund; to update allocations in spending categories; to transfer cash from the ARPA Operating Grant Fund (11011) to the ARPA Capital Grant Fund (38395); and to authorize the purchase of capital equipment items.**

Amends Ordinance No. 591, Series of 2021, as amended by Ordinance No. 706, Series of 2021, as amended by Ordinance No. 1145, Series of 2021, as amended by Ordinance No. 1192, Series of 2021, as amended by Ordinance No. 374, Series of 2022, as amended by Ordinance No. 969, Series of 2022, as amended by Ordinance No. 1450, Series of 2022, to 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; to allocate \$2,500,000 in the "Recovery" Category for the My Spark Out of School Time program; to correct allocations to reflect the intent of Ordinance No. 1450 Series of 2022; to transfer cash from the ARPA Operating Grant Fund (11011) to the ARPA Capital Grant Fund (38395) for Department of Housing Stability (HOST) Shelter Resiliency Projects; and to authorize the purchase of capital equipment items. The Committee approved filing this item at its meeting on 5-9-2023.

**Affected Council District(s) or citywide? Citywide**

**Executive Summary with Rationale and Impact:**

*Detailed description of the item and why we are doing it. This can be a separate attachment.*

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. While the ordinance accepted the full \$308,048,870 identified in the award agreement, it 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. Ordinance 373 and ordinance 374, Series of 2022, delineated capital improvement expenditures from operating ones through the creation of fund 38395. Ordinance No. 969, Series of 2022, allocated an additional \$1M generated by interest in the “Recovery” category for a food insecurity program. Ordinance No. 1450, Series of 2022, primarily allocated the second cash disbursement of \$154 million from Treasury. These allocations were for programs that were determined through a deliberative process that included input from the community and the Stimulus Investment Advisory Committee (SIAC). Ordinance 1450 also authorized capital equipment, allocated cash in the Administration category for program evaluation, and reallocated from premium pay based on expenditures.

This bill request seeks to amend Ordinance No. 591, Series of 2021, as amended by the subsequent ordinances, to make additional allocations for programs in those ARPA categories, make corrections, transfer cash to align spending with the appropriate fund, and authorize capital equipment purchases.

#### ARPA Allocations for Programs:

This bill request seeks to allocate dollars in the ARPA Operating Fund (11011) in the “Recovery” category for two programs. First, this bill request reallocates \$3,265,445 from contingency to the “Recovery” category 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. The full \$10M required in 2023 to address the identified gap in rental assistance would be made available from the following sources:

- A \$2,278,900 reallocation from the \$28 million Recovery Grant in ARPA for the “Affordable Housing Fund” (rental assistance is an allowable expense in that program)
- \$671,899 will be leveraged from the Affordable Housing Incentive Fee Fund
- A \$3,783,756 appropriation of property tax revenue, authorized through Resolution 1579, Series of 2022, which would be appropriated through a separate ordinance (bill request submitted on May 1) and transferred to the Affordable Housing Property Tax and Other Local Revenue Fund

Second, this bill request seeks to allocate \$2.5 million to support the My Spark program. This support will come from re-allocating \$1.5 million from the “Administration” category, specifically from the program evaluation budget, and allocating \$1 million from interest that has not yet been allocated in the Fund. The My Spark program is a pilot out of school time program that plans to serve Denver Public Schools middle school students in grades 6-8 who qualify for Free and Reduced Lunch, regardless of race, ethnicity, gender identity.

As a result of these allocations, the total allocation for Recovery increases from \$213,034,791 to \$218,800,236.

#### Cash Transfer from Operating to Capital Grant Fund

This bill request also seeks to transfer approximately \$2,900,000 in cash from the ARPA Operating Grant Fund (11011) to the ARPA Capital Project Fund (38395) to support the Shelter Resiliency program, previously approved through ARPA Round One. This budget was originally allocated in the ARPA Operating Fund pending a study that would determine whether these funds would 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 48<sup>th</sup> Avenue Shelter. Since capital expenditures for City-owned buildings should be incurred in a capital grant fund, this bill request seeks to transfer these dollars to capital. Remaining cash in the operating grant will be used for shelters the City is leasing or for shelters operated by City partners. The \$2.9 million transfer may need to be adjusted as cost estimates for these two facilities are refined.

#### Cleaning up Allocations:

This bill request also seeks to correct the ARPA Ordinance allocations in the “Premium Pay,” “Administration” and “Revenue Loss” Categories. Ordinance No. 1450 Series of 2022 was intended, per the bill request, to update the Premium Pay allocation to reflect the actual expenditures now that the program has concluded and all adjusting entries have been accounted for. This amount is \$8,230,500. The “Administration” allocation was intended to be \$5,457,300 to reflect the Administration needs including program evaluation. However, these numbers were flipped in Section 1 of Ordinance No. 1450, Series of 2022. This bill request would update the Premium Pay number to be \$8,230,500 and the Administration amount to be \$3,957,236, which reflects the \$5,457,300 intended in Ordinance No. 1450, Series of 2022, less \$1,500,000 due to the reallocation for the My Spark program. The “Revenue Loss” category

is also adjusted in this ordinance by \$110,105, from \$78,802,165 to \$78,912,270, to reflect allocations needed in 2023, previously authorized through the budget process.

If approved, the total allocations in the ARPA Operating Grant will be as follows:

- \$78,912,270 in the “Revenue Loss” category
- \$3,957,300 in the “Administration” category\*
- \$218,800,236 in the “Recovery” category\*\*
- \$8,230,500 in the “Premium Pay” category
- \$1,140,864 in the “Unallocated” category

Total Allocations: \$311,041,170 (reflects \$308,048,870 from the original award plus \$3,157,300 in interest earnings)

\*Includes \$1,157,300 from interest earnings

\*\*Includes \$2,000,000 from interest earnings

Capital Equipment Authorizations:

This bill request also authorizes several capital equipment items. This includes a utility vehicle and a skid steer for the Department of Parks and Recreation, and a mass spectrometer and a microscope for the Police Department. All equipment items are supported by prior allocations in the “Revenue Loss” category.

**Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):**

**Amount:**

**Budget Year:**

**Fund and Funding Source (Fund/Org/Grant Number, if applicable):**

**Grantor (if applicable):**

**Fund Matching Requirements (if applicable):**

**Fiscal Impact:**