



Legislation Text

File #: 21-1192, Version: 1

Finance Item/Grant Request Template

Date Submitted: 10-4-21

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

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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, to allocate spending in the American Rescue Plan Act Grant Fund for Recovery, Revenue Loss, and Administration.

Amends Ordinance No. 591, Series of 2021, previously amended by Ordinance No. 706, Series of 2021, to allocate a total of \$100.1 million in spending in the American Rescue Plan Act (ARPA) Grant Fund, including \$25.3 million in the "Revenue Loss" category to accommodate the 2022 portion of the allocation approved in Ordinance No. 706, Series of 2021 that will continue to be supported by ARPA, \$73.5 million in the "Recovery" category, \$1.3 million in the Administration spending category, which will be reallocated from unspent dollars in the initial Revenue Loss category, and approves a capital equipment purchase of a van for the Wellness Winnie program. The Committee approved filing this item at its meeting on 10-12-21.

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.

Subsequently, Ordinance No. 706, Series of 2021 amended said ordinance to authorize \$46,208,643 in the “Revenue Loss” category, identified as an allowable expense in the ARPA guidance. This ordinance only allocated the 2021 portion of the Revenue Loss investments. The Budget and Management Office leveraged the 2022 budget process to determine which investments restored in ARPA in 2021 could be supported by General Fund growth in 2022, as a fiscally prudent way to ensure the City could continue to support ongoing restorations of City services. This bill request authorizes the 2022 portion of the Revenue Loss allocation previously allocated through Ordinance No. 706, Series of 2021. Due to the ability to shift costs to the General Fund in 2022, this amount is \$25,295,053.

As a result of hiring challenges in a significantly competitive market in 2021, the \$46,208,643 initially allocated via Ordinance No. 706, Series of 2021 is unlikely to be fully spent. The BMO will report on a full reconciliation after year-end close in 2022. In the meantime, savings from vacancies through September provide sufficient capacity to shift \$1.3 million to the “Administration” category. This will support a contract with Ernst and Young that will assist the City in its efforts to deliver the financial and performance reporting required under the ARPA program to the U.S. Treasury; aid efforts around compliance with federal grant regulations; assist with questions on the eligibility of proposed uses of funds; and help the City to maximize its strategic use of these one-time ARPA funds in conjunction with under federal and state programs made available by the ARPA legislation and other potential stimulus programs.

Additionally, this bill request authorizes an allocation in the ARPA fund in the “Recovery” spending category of **\$73.53M**. After an extensive community review process, the following investments are proposed:

- Business Recovery: \$10.1M
 - Business Impact Opportunity Grants (\$5M)
 - Entrepreneurship Support (\$2M)
 - Downtown Support - Seasonal Activation, Tourism Activation, Vacant Retail Activation (\$2.5M)
 - Small Business Program Navigators (\$600k)
- Community Recovery: \$13.16M
 - Mental & Physical Health investments (\$1.8M - includes a vehicle in the Wellness Winnie program that requires City Council authorization because it exceeds the \$50k threshold for capital equipment)
 - Food Access (\$1M)
 - Arts & Culture (\$1.2M)
 - Neighborhood Activation Grants (\$2M)
 - Code Violation Remediation (\$1M)
 - Nonprofit loan fund (\$250k)
 - Financial equity study (\$35k)
 - Youth/Out of School Time (\$1.8M)
 - Childcare Investments (\$1.425M)
 - Digital Equity investments (\$1.15M)
 - Community Safety Grants (\$1.5M)
- Housing and People Experiencing Homelessness Investments - \$35.8M
 - Affordable Housing Fund infusion (\$28M)
 - Alternatives to Shelter (ex. Safe Outdoor Spaces) (\$4.3M)
 - Rapid Resolution/Rehousing (\$2M)
 - Housing Stability Rental Vouchers (\$1.5M)
- Infrastructure Investments - \$14.47M
 - Recreation Center Life/Safety Improvements (\$3.5M)
 - Shelter 24hr resiliency renovations (\$3.5M)

- 47th Ave Shelter Expansion (\$7.47M)

If this bill request is approved, the total allocations in the ARPA Grant Fund will be as follows:

- \$70,203,696 in the “Revenue loss” category (this reflects the initial \$46,208,643 allocation, the increase of \$25,295,053 for the 2022 portion of the previously approved investments, and the shifting of \$1,300,000 from this category to Administration)
- \$1,300,000 in the “Administration” category
- \$73,530,000 in the “Recovery” category
- \$163,015,174 in the “unallocated” category*

*Bill 21-1145, which will also amend Ordinance No. 591, Series of 2021, to allocate \$8.8M in the ARPA Grant Fund to support premium pay for eligible City employees, is going through the legislative process. If approved, the amount of the award that is unallocated will decrease to \$154,215,174. This bill will be held after it proceeds with Mayor Council and will not be filed in Legistar until 21-1145 passes in order to have a clean amendment to Ordinance No. 591, Series of 2021 that accurately accounts for the unallocated funds.

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: