



## Council Communication File Number: Ord 2574

**Agenda Date:** 3/18/2024

**Version:** 1

**Status:** Agenda Ready

**In Control:** City Council

**File Type:** Ordinance

**Agenda Number:**

AN ORDINANCE AMENDING THE 2024 BUDGET OF THE CITY OF COMMERCE CITY BY RECOGNIZING THE REMAINING PORTION OF THE CITY'S TOTAL \$10,505,025 AMERICAN RESCUE PLAN ACT FUNDING ALLOCATION IN THE AMOUNT OF \$7,453,025 AND AUTHORIZING THE EXPENDITURE THEREOF

### **Summary and Background Information:**

President Joseph R. Biden signed the American Rescue Plan Act (ARPA) into law on March 11, 2020, which established the Coronavirus State and Local Fiscal Recovery Fund intended to provide support to local governments in responding to the impact of COVID-19 on their communities, residents, and business. The City of Commerce City received an ARPA allocation of \$10,505,025 directly from the U.S. Treasury Department. The first 50% tranche was received in 2021 and the second 50% tranche in 2022. The U.S. Treasury Department has provided regulatory guidance on the allowable uses of ARPA funds, which include: supporting public health response, addressing negative economic impacts, replacing public sector revenue loss, premium pay for essential workers, water and sewer infrastructure, and broadband infrastructure.

City staff has completed and documented a revenue replacement analysis following U.S. Treasury guidance on this matter, calculating a revenue loss amount well in excess of the City's ARPA funding allocation, approximately \$11.8 million for the 2020 fiscal year alone. Given this, the City has claimed its entire \$10,505,025 ARPA allocation as revenue replacement. The City is required to report on how these funds are used, via quarterly reports submitted to the U.S. Treasury Department. Revenue replacement funds can be used for government services and must be obligated by December 31, 2024 and fully expended by December 31, 2026.

City Council passed Ordinance 2533 in 2023, with first reading on 7/24/23 and final reading on 8/7/24. Through this ordinance, Council obligated \$3,075,000 worth of the City's ARPA allocation for the following items:

- \$1,500,000 for Emergency Shelter Generators and Equipment/Supplies (\$1,300,000 of this is for generators and \$200,000 for equipment/supplies)
- \$1,000,000 for a 3-Year Grant Writing Program (the unspent portion of this at the end of each fiscal year (2023, 2024, and 2025))
- \$500,000 for the Rental Assistance Program
- \$75,000 for TrackNGO Equipment

On 2/12/24, City staff proposed using the City's remaining ARPA allocation on the following BuildC3 Program uses:

- Housing - \$2,500,000
- Environmental - \$500,000
- Food Equity - \$400,000
- Micro-Transit - \$500,000
- Workforce Development - \$500,000
- Community Well-Being - \$1,553,025
- Emergency Rental/Mortgage/Living Assistance - \$1,000,000
- Infrastructure (including broadband) - \$500,000

City staff developed Ordinance 2574 to enact the appropriations for this BuildC3 Program line-up utilizing the City's remaining ARPA allocation. Please see ARPA Funding BuildC3 Program Appropriation spreadsheet included in the packet for more detail about the planned expenditures and service deliver methods for each of these areas.

Jim Tolbert, Assistant City Manager, and Theresa Wilson, Director of Finance, will be available to answer questions you may have.

**Staff Responsible (Department Head):** Jim Tolbert, Assistant City Manager

**Staff Member Presenting:** Jim Tolbert, Assistant City Manager

**Financial Impact:**

General Fund: \$6,953,025

Capital Expenditures Fund: \$500,000

**Funding Source:** Federal ARPA funding

**Staff Recommendation:** Approve Ordinance 2574

**Suggested Motion:** Motion to introduce by council as seated and approve Ordinance 2574