



**CITY OF BOULDER  
CITY COUNCIL AGENDA ITEM**

**MEETING DATE: DECEMBER 1, 2022**

**AGENDA TITLE:** Introduction, second reading and consideration of a motion to adopt Ordinance 8558 approving supplemental appropriations to the 2022 Budget and ARPA funding priorities; and setting forth related details.

**PRESENTERS:**

Nuria Rivera-Vandermyde, City Manager  
Chris Meschuk, Deputy City Manager  
Kara Skinner, Chief Financial Officer  
Mark Woulf, Senior Budget Manager

**EXECUTIVE SUMMARY**

This memorandum is separated into two distinct sections. The first section covers the regularly scheduled supplemental appropriations to the 2022 Budget, also known as an Adjustment-to-Base (ATB). Each year at least two regularly scheduled supplemental appropriation ordinances are presented to City Council for review and approval. Council receives the first in May and the second in November.

The second section covers the city’s final appropriations from the American Rescue Plan Act (ARPA), including recommended reallocation of the unspent “public health reserve” from previously approved ARPA funds, as requested by council during the 2023 budget hearings this October.

This memo discusses the city’s progress related to ARPA spending, the early results of investments made to date, and specific recommendations for the remaining amount of local ARPA dollars available for investment in recovery activities across the community including the reallocation of the public health reserve funds.

The final appropriations from ARPA, or Tranche 3 ARPA funding recommendations include the following:

- Strengthening Behavioral Health Safety Net - \$2.5 million
- Childcare Capacity & Industry Support - \$1.5 million
- Guaranteed Income Pilot Program - \$2.75 million
- Ponderosa Community Second Mortgage Program - \$3.0 million

- Economic Recovery Initiatives - \$1.2 million
- Winter Sheltering - \$435,000

Additionally, based on council discussion and staff analysis, staff is recommending the reallocation of the remaining public health reserve funds from Tranche 1 appropriations as follows:

- \$397,321 in basic human service needs, such as rental, financial, food and shelter assistance.
- \$150,000 in supplemental arts industry support, including artist support.

## STAFF RECOMMENDATION

### **Suggested Motion Language:**

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt Ordinance 8558 approving supplemental appropriations to the 2022 Budget; and setting forth related details.

## FISCAL IMPACTS

- In the **General Fund**, this ordinance will appropriate \$7,000,731 in funding, \$6,142,618 from fund balance and \$858,113 from additional revenue.
- In **restricted funds**, this ordinance will appropriate \$10,449,377 in funding, including \$4,419,933 from additional revenue and \$6,029,445 from fund balance.

ARPA funds are not appropriated within Ordinance 8558 as the spending authorization would lapse at the end of 2022. A special adjustment will be brought forward in early 2023 to appropriate ARPA funds as directed by council.

Ordinance 8558 is provided in **Attachment A**.

## BACKGROUND AND ANALYSIS

### RESPONSES TO FIRST READING QUESTIONS

Council raised several questions on first reading at the November 17 Council Meeting related to potential changes to the ARPA funding recommendations and the support of the arts industry. Staff has corrected the table on Page 22 to reflect the accurate total ARPA funding; the intent of the staff recommendations is to have the entirety of the city's ARPA allocation to be committed through these Tranche 3 recommendations. Additionally, if Council does wish to make adjustments to the ARPA staff recommendations, ARPA funds are NOT being appropriated through Ordinance 8558.

Council could take final action on the adjustment to base ordinance (Ordinance 8558) while providing direction to make changes to the ARPA staff recommendation. These changes would be reflected in a future budget adjustment to appropriate all ARPA funds, likely in February 2023.

### ***Additional Information Regarding Arts Funding***

During the first reading, Council had specific questions about the arts and culture programs recommended by staff. Below are answers to those questions followed by the staff recommendation.

Council members asked about the support provided to the Boulder Philharmonic and Boulder Ballet. To clarify, both organizations did apply for the 2022 – 2024 General Operating Support (GOS) grant. This is a competitive grant category that the members of the Arts Commission score based on a rubric of 36 total points. After meeting eligibility criteria, scoring is based on a set of application questions including relationship to the Community Cultural Plan, capacity, community outcomes, and cultural equity. More about the scoring system can be found at the cultural [grants website](#). The GOS grants are divided into four categories based on the budget size of the applicant. Staff also wishes to acknowledge the members of the community who spoke with enthusiasm about increased funding for the arts including representatives of organizations such as Greater Boulder Youth Orchestra, Create Boulder, and Open Studios. A note of clarification on staff comments during the meeting on November 17: it was Open Studios that did not submit an application for the GOS grants. The Boulder Philharmonic did indeed apply.

Though scored fairly well by the members of the Boulder Arts Commission, the Philharmonic and Ballet were in a set of five organizations that were the next-highest scoring applications. The Boulder Philharmonic scored 28.67 in the extra-large category (0.16 points away from the next-highest score) and the Boulder Ballet scored 27.60 points in the large category (0.40 points away). The other organizations in this group of “scoring well but not funded” are the Greater Boulder Youth Orchestra in the mid-size category and Lemon Sponge Cake Contemporary Ballet and The Big Dream in the small category.

GOS grants are the cornerstone of the Cultural Grants Program. There are other grants available which the Boulder Philharmonic and Boulder Ballet have been awarded. In the 2022 cycle of grants, the Philharmonic has received \$30,000 from the ARPA Administrative Rehiring Grant. This is a triennial grant with further disbursements in 2023 and 2024. The Ballet has received \$14,000 in venue assistance, project grants, and the ARPA artist hiring incentive.

The staff recommendation remains that \$150,000 of the unspent public health reserve funds be assigned to the grants program. Staff will work with the arts commission on dividing that amount to increase the budget for the Venue Affordability Fund and another round of the Artist Hiring Incentive. In this way, the funding can best target the needs expressed by Council: the fact that individual artists and arts venues continue to recover more slowly than the rest of the economy.

In response to the Council suggestion of additional funding beyond the staff recommendation, either through ARPA or a future budget adjustment, staff can work

with the Arts Commission to determine the best method to offer support to the above referenced organizations and/or individual artists and arts venues. Staff notes that additional funds for GOS grants will necessitate two years of funding to align with the GOS grant's triennial cycle (for the referenced organizations, the cost would be \$192,000).

### **PART 1: Ordinance 8558 – Second Adjustment-to-Base (ATB)**

Adjustments to the budget are a necessary part of governmental business as Colorado law requires an annual budget appropriation that ends Dec. 31 each year, but government business necessarily continues year-round. Given that adjustments are considered outside of the standard budget development process, careful consideration is given before advancing recommended adjustments. There are common instances when adjustments are required, such as addressing unanticipated expenses or increased costs for certain existing operating programs through the fiscal year and expending new grant funds. In special circumstances, new investments may be necessary, due to emergencies, changes in council direction, and emerging community needs, and are generally considered one-time investments.

In Ordinance 8505, the Boulder City Council adopted the 2022 annual budget of \$526,458,729, including a General Fund budget of \$164,657,129.

In Ordinance 8500, City Council approved a special supplemental appropriation of \$19,122,909 across all funds, including General Fund appropriation of \$3,269,903 from fund balance.

In Ordinance 8516, City Council approved annual supplemental appropriations of \$37,007,076 across funds. This included a supplemental General Fund appropriation of \$9,147,882; \$2,929,891 from additional revenue; and \$6,217,991 from fund balance. In restricted funds, the additional appropriation was a total of \$27,859,194; \$10,306,120 from additional revenue; and \$17,553,074 from fund balance.

There are three types of supplemental requests as shown in **Table 1**. Supplemental appropriation from fund balance is appropriation of money from unobligated funds after reserves. Supplemental appropriation from additional revenues is supported by new collections and comes in two forms:

1. *Supplemental appropriations from grant revenues* are required throughout the year since either the grant was not anticipated and was therefore not included in the original budget, or because the amount received was more than expected and budgeted.
2. *Supplemental appropriations from additional revenues* includes unanticipated (or not quantified at the time the budget was passed) funds received for city programs and services, including donations, reimbursements for services, fundraisers, or cooperative agreements between municipalities, as well as revenues coming in above budget.

**Table 1: Type of Supplemental Appropriations – All Funds**

Type of Request - All Funds	Amount
Fund Balance	\$12,422,063
Grant Revenue	\$525,026
Additional Revenue	\$4,753,020
<b>Grand Total</b>	<b>\$17,700,109</b>

Supplementals can also be categorized according to fund and source. **Attachment B** provides details of all supplementals in this adjustment totaling \$17,700,109.

**Overview of Select Adjustments**

**Additional Funds for Capital Projects**

*North Boulder Library Branch*

The North Boulder Library Branch requires an additional contribution to the Project budget to meet the Guaranteed Maximum Price of the construction contract, totaling \$2,301,330. These increased costs are related to inflationary factors with materials and construction. Funds are available using the Library Fund fund balance, appropriation of available impact and development excise tax funds from the Capital Development Fund, as well as reserved Library funds currently held in restricted General Fund reserves.

*Flatirons Golf Course*

The Flatirons Golf Course project encompasses the design and construction of a new pro shop, clubhouse, and staff office to replace the former events center that was demolished because of the 2013 flood. The approved budget for this project is \$8.4 million and requires an additional \$1.0 million due to market conditions related to escalation in construction costs and inflationary increases. Staff is proposing \$400,000 from development excise tax funds from the Capital Development Fund and \$600,000 from golf course surplus revenue (Recreation Activity Fund) to cover the funding gap.

*North Broadway Construction Project*

The North Broadway Construction Project is addressing a section of Broadway which is in deteriorating condition, from Violet Avenue to Highway 36. This area has high levels of bicycling, walking, vehicular and transit travel. The section of roadway is a gateway to North Boulder and the downtown and there has been a major redevelopment of the area with additional residential and commercial space. The project requires an additional \$2,000,000 to enhance biking and transit infrastructure on the project. In 2019, staff expanded the project scope for biking and transit infrastructure after engaging community stakeholders. At that time, staff estimated the additional cost for bike and transit design amenities would range from \$1.0 million to \$1.5 million. The increased cost is due to inflation and general construction market cost increases.

**Unbudgeted Costs**

*Police Claim Settlements*

Additional appropriations are required to cover two police lawsuit settlements approved by Council in June and July 2022, totaling \$3.3 million. Litigation expenses and

settlement payments are accounted for in the city's Property & Casualty (P&C) Fund. To cover these settlements, the P&C Fund requires an additional appropriation of \$2.8 million. This will be funded by a \$2.6 million transfer from the General Fund and \$200,000 from the liability reserve within P&C Fund. With that, the General Fund requires an additional appropriation of \$2.6 million from fund balance after reserves. This payment was assumed and accounted for when developing the 2022 end-of-year fund balance for the 2023 Budget. The \$200,000 draw from the P&C Fund liability reserve is planned to be replenished over the next three years.

#### *Debt Service Payment*

During 2021, the city partially refunded its outstanding Capital Improvement Bonds and the amount originally budgeted in the 2022 budget only included the Refunding Note payment due and not the payment due from the portion of the original bond issue that was not refunded in the amount of \$2,340,000. The source of funds is fund balance after reserves and was assumed and accounted for when developing the 2022 end-of-year fund balance for the 2023 Budget.

### **Other Notable Expenditures**

#### *EnerGov Software*

As part of 2021 ATB 1, Facilities & Fleet, on behalf of Planning & Development Services (P&DS), requires additional appropriation to accommodate P&DS's purchase of EnerGov software using earmarked funds for this replacement out of the Equipment Replacement Fund (ERF). However, P&DS did not encumber the funds for the EnerGov software until February 2022. The unspent appropriation of \$475,000 from 2021 fell back to fund balance. This ATB will re-appropriate this funding out of the ERF to accommodate this software purchase.

#### *Fire-Rescue Type III Apparatus Purchase*

This ATB includes \$480,000 in additional Fire-Rescue fleet replacement funding for the purchase of a new Type 3 Wildland Engine. This includes the apparatus, and the software, tools and equipment. Fire-Rescue's intention is to deploy line (non-Wildland and Wildland) personnel across the region to upskill the department, while maintaining the current two Type 3 engines locally for immediate response.

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## **Part 2: American Rescue Plan Act (ARPA) Update and Tranche 3 Recommendations**

This is the fourth council discussion related to the city's local allocation of ARPA funds:

- June 2021: General framework and process for decision-making and federal parameters of spending
- August 2021: Prioritization Criteria and Tranche 1 spending recommendations
- February 2022: Update and Tranche 2 spending recommendation with feedback on potential Tranche 3 spending
- December 2022: Tranche 3 spending recommendations and potential reallocation of public health reserve

With the resources available through ARPA, the local relief funds and resources available through the county, state, and other federal programs, combined with the additional federal spending in infrastructure, the city has a once-in-a-generation opportunity to access funding to advance critical community goals, especially for those disproportionately impacted by the pandemic. With council's support, staff focused Tranche 2 planning efforts on identifying innovative solutions to some of the most complex problems we face as a community. In approaching another round of ARPA spending, it is important to revisit the goals, parameters, and prioritization criteria to help guide staff recommendations and council discussion and decision-making.

### ***ARPA Funding Outcomes and Prioritization Criteria***

In September 2021, council established the following funding outcomes for ARPA expenditures:

#### **1. City Organizational and Financial Recovery**

- Ensure community organizations, institutions, and businesses are aware of available resources through ARPA.
- As appropriate, enhance community access to services, programs, and facilities that were limited because of the pandemic for those who are in most need.
- Advance opportunities for diverse community members to increasingly experience Boulder as a socially thriving and economically resilient community.
- Foster city employees' sense of safety, security and support throughout workplace transition to a hybrid work environment.

#### **2. Community Recovery**

Invest in community, including residents, nonprofits, and businesses negatively impacted by the pandemic, with the intended outcomes of:

- Voices and experiences of community members are heard and amplified through neighborhood connections; nonprofit, cultural, philanthropic agencies; and other local institutions that help our community function.
- Households, small businesses, and nonprofit agencies receive assistance that add value to existing services and resources provided by other federal, state or local entities.
- Community members increasingly experience short- and long-term improvements to their socio-economic safety, security and well-being.

- Create transparent, authentic partnerships that value lived experience and provide access for those closest to the issue to the decision-making process through partnership with Community Connectors and the network of nonprofit, cultural, philanthropic, and local institutions.

### **3. Inclusive Economic Recovery**

Invest in efforts that catalyze economic revitalization in the community, especially in industries and workforces most impacted by the pandemic, with the intended outcomes of:

- Continued viability as a regional job center, consistent with the economic sustainability goals.
- Continued support of a diversified employment base and business types.
- Increase and expand inclusive goods and services in alignment with the Citywide Retail Strategy.

### **4. Transformative Long-Term Investment**

- Identify and pursue investments in innovative solutions to the most challenging problems within our community.
- City infrastructure such as water, sewer and broadband are increasingly available, accessible, and affordable for the benefit of all community members.
- The city increasingly identifies and acts upon opportunities to leverage funding through other public, private and foundation sources.

Acknowledging the many unfunded and underfunded community priorities and needs that have arisen due to the pandemic, it was also necessary to establish a mechanism for prioritization to assist in decision-making. Staff used the following criteria to help evaluate potential funding initiatives under ARPA, which was also reviewed by council in September 2021 and February 2022:

1. Directly advances goals within the Sustainability, Equity, and Resilience (SER) Framework and improves equity outcomes based on the results of the application of the racial equity instrument to the proposal.
2. Helps fill a demonstrated gap in federal and local resources and addresses needs of the city organization, community or local economy that were created or exacerbated by the pandemic.
3. Leverages community feedback and future engagement opportunities, including formal and informal channels of communication, to inform development of funding proposals.
4. Reflects an innovative approach to addressing needs of community members directly and most disproportionately impacted by the pandemic.
5. Leverages funding through other public, private, and/or foundational sources through established partnerships and collaborations.

Utilizing council feedback and the prioritization criteria outlined above, staff concentrated effort on a handful of transformative initiatives aligned with community needs and established city goals and plans. Over the past several months, staff scoped each initiative and is outlining a specific strategy for each item, a recommended use of local relief funds, alignment with prioritization criteria, and identification of additional



partnerships and funding opportunities to bolster resources and maximize overall effectiveness in pursuing broad goals.

***Tranche 1 ARPA Initiatives and Progress Report***

<b>Summary of Tranche 1 Authorized Spending</b>	
Gap Funding for Service Restorations	\$868,600
Immediate Needs	\$2,108,400
Public Health Reserve	\$1,000,000

*Gap Funding for Service Restorations*

As part of the 2022 Budget process, staff considered which budget requests might be eligible for ARPA funding. Because ARPA funding is one-time, the focus was to largely use city ongoing revenue to restore ongoing programs and services and focus ARPA funding on one-time or gap funding for a total of \$868,600 as follows:

- Restoration of recreation services: \$600,000.
- Restoration of severe weather shelter funding: \$200,000.
- Restoration of public art programming: \$25,100.
- Restoration of neighborhood connections grants: \$43,500.

*Immediate Needs*

In addition to service restorations, staff identified several opportunities to support immediate community recovery needs that were in alignment with ARPA guidance. Below is a summary of Tranche 1 initiatives with an update on progress related to the funding activity:

<b>Immediate Funding Need</b>	<b>Activity Progress Report</b>	<b>Spent or Committed/ Appropriated Funding</b>
Bridging the Digital Divide	By contract with Boulder Housing Partners (BHP), the city has provided initial funding of \$500,000 to fund endpoint infrastructure investments with the goal of providing free high-speed broadband access to all BHP sites throughout the city. To date, BHP has completed upgraded infrastructure or is in progress at 11 sites impacting 356 units at an average medium income of \$26,731 per site.	<b>\$888,400/</b> \$888,400
Small Business and Local Economic Recovery Assistance	Provided funding to support impacted industries and underserved communities. To date, \$420,000 in Tranche 1 ARPA funding has been used to promote safe visitation (\$150,000); provide grants for arts organizations to mitigate the costs of event safety, testing, and vaccination checks (\$50,000); support safe dining and restaurant industry recovery with a delivery fee subsidy (\$103,170); and partial funding of an outdoor dining pilot (\$100,000); retail industry recovery (\$10,000) and BIPOC business support (\$6,830).	<b>\$420,000/</b> \$420,000

Utility Bill Assistance	Providing financial relief for community members with city water utility accounts in arrears through September 2023. Utilities has issued \$79,000 (through Nov 9, 2022) in assistance to residents in need. In collaboration with Boulder County HHS and city HHS, Utilities reached out to city utility customers and enabled \$22,000 in assistance for city residents through the county’s Emergency Rental Assistance Program.	<b>\$79,000/</b> <b>\$400,000</b>
Critical Human Service Needs	Provided \$120,000 in rental assistance pending receipt of Eviction Prevention Rental Assistance (EPRAS) funding; allocated \$50,000 for childcare subsidies for COVID-19 absences; and \$30,000 for household financial assistance through HHS Older Adult Services and Family Resource Services.	<b>\$200,000/</b> <b>\$200,000</b>
Workplace Transformation Support	Funds were utilized to continue work to transition city staff, as appropriate based on roles, to a hybrid work model. Equipment purchased in support of transitioning workspace, such as the Tate Building, to flexible space for multiple uses.	<b>\$87,295/</b> <b>\$200,000</b>
	<b>Totals</b>	<b>\$1,674,695/</b> <b>\$2,108,400</b>

*Public Health Reserve*

Council also approved the use of up to \$1 million for public health-related items if they were to arise. The reserve was used for the city employee vaccine incentive. As a part of the city employee vaccine mandate, employees who were vaccinated or received an exemption by Dec. 1, 2021, received \$250 each. The total cost of the incentive was \$346,257 from this ARPA public health reserve. Additionally, vaccine verification software was purchased to track and verify employee vaccinations (\$47,422).

Another use of the funds was approximately \$20,000 for bulk mask purchases for Boulder small businesses. The varying mask requirements across the region led to confusion and uneven compliance from visitors. The city partnered with the Boulder Chamber to bulk purchase masks and distribute.

To address community needs for low-income community members, the city also allocated funds to nonprofit agencies to make available COVID-19 vaccines to community members experiencing homelessness and community members requiring at-home vaccination (e.g. older adults and people with disabilities); and for increased capacity for a nonprofit partner to manage clients experiencing suicide ideation (total investment of \$39,000).

There is **\$547,321** remaining in the public health reserve to continue in reserve for city or community COVID-19 health needs or to be reallocated as directed. Staff has provided potential alternative uses in the Tranche 3 section of this memo.

## ***Summary of Tranche 2 ARPA Initiatives***

Council reviewed staff recommendations at the Feb. 15, 2022 council meeting and provided feedback on the Tranche 2 recommended initiatives and the approach to potential Tranche 3 future spending. Council indicated overall support for the recommendations and suggested some additions to ensure that direct support was received by individuals and businesses in need in a timely manner. Council provided specific direction related to a couple of items that were included in the Tranche 2 appropriation in March 2022:

- **Guaranteed Income Pilot Exploration.** Council indicated support for an initial appropriation of \$250,000 to begin work towards a guaranteed income pilot program. Staff provided additional information about the type and scope of such a pilot prior to significant expenditures related to pilot development at a study session on May 24, 2022, at which council approved expenditures of \$250,000 for pilot design; provided input on various aspects of the pilot project design including project outcomes, a proposed community task force and on community engagement strategies. Since the study session, HHS staff have facilitated a citywide pilot project staff team to develop a pilot project budget, community task force charter, and framework for determining target populations; conducted an RFP process for, and have under contract, a pilot project management consultant; and are collaborating with other regional, state and national networks on direct cash assistance to incorporate best practices into the city pilot project. To date, \$210,000 has been allocated for the pilot project manager consultant.
- **Childcare Industry Support.** Council approved \$100,000 to support two childcare industry initiatives under Boulder’s inclusive economic recovery umbrella. To date, \$85,000 in Tranche 2 funding has been used or committed, including \$55,000 for small business grants awarded to existing, licensed brick-and-mortar childcare providers in the city of Boulder to support ongoing safe operating needs. The remaining \$30,000 will be used to fund specialized business training programs and grants for local childcare businesses to be developed and provided by the Boulder Small Business Development Center (SBDC). Economic Vitality and HHS staff continue to work collaboratively to ensure that these and proposed Tranche 3 childcare allocations will benefit childcare providers and community members with the greatest needs.
- **Continued Economic Recovery Initiatives.** During the February study session, council directed staff to address immediate economic needs more expeditiously by increasing the recommended Continued Economic Recovery Programming funding from \$620,000 to \$900,000. In doing so, staff also moved a planned workforce development initiative consideration (\$50,000 as potentially coordinated with Boulder County) to Tranche 3. Finally, the revised economic recovery proposal also moved certain components originally considered for Tranche 3 to Tranche 2.

*Small business support* – \$550,000 (recommendation increased by \$230,000 and expedited)

- \$40,000 of the \$100,000 approved for supporting the economic recovery of BIPOC-owned businesses in Tranche 2 has been used or committed for

services and programming provided by the NAACP Boulder County, The Latino Chamber of Boulder County and Boulder Small Business Development Center (SBDC) with the remaining \$60,000 moved to Tranche 3.

- Nearly all, \$425,000, of the \$450,000 targeted for small business grants has been spent to date, including \$400,000 in grant awards to 224 Boulder small businesses and \$25,000 for the administration of the program. Over half (57%) of the grants were awarded to women- or minority-owned businesses.

*Safe Visitation and return of group tourism* – \$200,000 (recommendation increased from \$100,000)

- \$200,000 in ARPA funding was used to support continued promotion of local Arts & Culture amenities, promote the return of group conferences, and allow for continued Visit Boulder destination promotion. In doing so, the city supported the hard-hit hospitality industry (lodging and food services) with year-round promotion by the Boulder Convention and Visitors Bureau (CVB) and set the stage for introducing new lodging venues to the slowly recovering national group visitation market.

This funding was in addition to the allocation of shared accommodation taxes and food service taxes already received by CVB (approximately \$2 million [2020-2021]), \$100,000 received through CARES, and \$200,000 through Tranche 1 of ARPA.

*Outdoor Dining Pilot* – \$150,000

- Based on discussion with council related to the Outdoor Dining Pilot Program, infrastructure was purchased for parklets across the downtown area. The total amount spent and committed is \$250,000 (including Tranche 1 appropriation).

***Summary Table of Tranche 2 Initiatives and Progress Report***

<b>Tranche 2 Initiative</b>	<b>Tranche 2 Initiative Progress</b>	<b>Spent or Committed /Appropriated</b>
Guaranteed Income Pilot Exploration	Finalized a contract with the pilot project manager consultant agency (Impact Charitable).	<b>\$210,000/</b> \$250,000
Childcare Industry Stabilization	Awarded \$55,000 in grants to small childcare centers; developing business training program and grants for childcare businesses and startups (in English and Spanish). An additional \$30,000 is committed to be used for specialized training programs for local childcare businesses.	<b>\$85,000/</b> \$100,000
Continued Economic Recovery Programming	Provided \$425,000 to manage and fund small business grant program; \$200,000 to the Boulder CVB to promote year-round visitation and group meetings; and \$94,327 to support the Outdoor Dining Pilot, and \$670 (plus Tranche 1 funding) for BIPOC	<b>\$719,997/</b> \$900,000

	business assistance programs. An additional \$55,673 is committed to be used for safe outdoor dining infrastructure and \$39,330 to be used for BIPOC business assistance.	
Continued Housing & Human Services Recovery Program Extensions	Allocated for rental and financial assistance for low-income community members through HHS' Older Adult Services and Family Services, and through the Left Behind Workers Fund; food assistance; severe weather sheltering and other critical needs. In addition to what has already been spent, HHS is planning to allocate \$100,000 in Nov 2022 for food security; \$60,000 for hotel vouchers for unsheltered community members in Dec 2022/Jan 2023; \$40,000 for financial assistance through Family Services for 2023. HHS anticipates making additional allocations for food, rental and financial assistance and other basic needs services.	<b>\$102,700/ \$500,000</b>
Emergency Response Connectors Program	Allocated funding to maintain ERC community outreach and engagement with historically underrepresented and underserved community members on a wide range of COVID-19 response and recovery needs including vaccines and other prevention services, community healing strategies, basic needs resource navigation, and input on city services	<b>\$32,954/ \$191,000</b>
Homeless Solutions Building Home Project	Finalized contracts with two service providers for peer support and daytime programming (\$600,000), and housing retention services (\$900,000) for community members in transition from homelessness to housing.	<b>\$1,500,000 /\$1,500,000</b>
Fiber/Smart Cities Phase 2 Design	Phase 2 of the Fiber project is still being scoped. These dollars will continue to be set aside for future design work for Phase 2.	<b>\$0/\$50,000</b>
Economic Recovery Planning – Strategy Development	Conducted internal research and updated demographic and market data for the Economic Sustainability Strategy Update. External research and strategy development will occur in 2023.	<b>\$0/\$100,000</b>
Arts & Culture Industry Support – Workforce Incentive Grants	The first round of Artist Hiring Incentives was awarded to six organizations. A second round is now under review. The Arts Administration Rehiring Grants were awarded to ten organizations for the first if three annual disbursements.	<b>\$318,000/ \$915,000</b>

Reestablish Programs for Artists, and Neighborhood Art Commissions	The Experiments in Public Art project is underway, with installation of the artwork scheduled for the Spring of 2023. The hiring of the Artist Liaison position will be complete early next year, followed by the launch of the second round of COVID19 Work Projects.	<b>\$115,750/ \$300,000</b>
	<b>Total Tranche 2 Funding (Committed/Appropriated)</b>	<b>\$3,084,401 /\$4,806,000</b>

After all Tranche 1 and 2 appropriations, the total remaining amount of ARPA local relief funds for future spending is **\$11,370,269**.

***Recommended Tranche 3 Initiatives***

Based on council feedback in August 2021, staff explored many other potential transformational initiatives that address key issues across the community. Staff provided several potential Tranche 3 recommendations in February 2022 that needed additional planning, scoping, and council direction before refining and proceeding. Council indicated general support for continued planning for the various initiatives and below is a summary of progress, funding recommendations, and additional recommendations on other remaining funding in the city’s allocation.

***Summary Tranche 3 Recommendations***

<b>Area of Focus/Outcome Area</b>	<b>Tranche 3 Initiative</b>	<b>Tranche 3 Recommendation</b>
Public Health & Safety	Strengthening Behavioral Health Safety Net	\$2,500,000
Affordability & Service Access	Childcare Capacity & Industry Support	\$1,500,000
	Guaranteed Income Pilot Program	\$2,750,000
	Manufactured Housing Communities Support	\$3,000,000
	Winter Sheltering	\$435,269
Community & Economic Resilience	Continued Economic Recovery – Outdoor Dining Pilot implementation (\$250,000); commercial district economic recovery (\$220,000)	\$470,000
	Transformative Economic Recovery – BIPOC business assistance (\$60,000); workforce training initiatives (\$50,000); procurement and contracting diversity programs (\$225,000); shared affordable commercial space (\$380,000)	\$715,000
	<b>Total Recommended Tranche 3 Funding</b>	<b>\$11,370,269</b>

***Strengthening Behavioral Health Safety Net***  
*Tranche 3 Funding Recommendation: \$2,500,000*

*Purpose.* Staff propose that up to \$2.5 million be used to stabilize and expand the mental health staff workforce needed to serve Boulder community members for a wide range of services. This will help to address the local impacts associated with a national workforce shortage, which is particularly challenging given the increased mental and behavioral health needs related to COVID-19. While ARPA funds may not be appropriate for worker salaries, based on input from diverse mental health agency and program leaders in Boulder, staff believe that hiring and retention incentives and related capacity-building investments can result in positive impact during and beyond the ARPA timeframe. This proposal results from ongoing mental and behavioral health needs assessments throughout the pandemic, and continued conversations among HHS staff, with a wide range of nonprofit grantees and partners, with the Boulder County Funders Collaborative and other government staff managing ARPA investments.

*Proposal Description.* Staff propose the following allocations to strengthen the behavioral health safety net workforce for Boulder community members:

- Up to \$1.75M to nonprofit mental health agencies for staff retention, training and skill development, including to diversify staffing and ensure equitable and inclusive services. Staff anticipate providing support to agencies including Mental Health Partners and other local nonprofits, prioritizing those with staff therapists or case management employees.
- Up to \$500,000 to enable private mental health providers to accept low-income patients with Medicaid. Funds may be used for provider training and certification costs to serve clients with Medicaid; consultants to assist providers with billing, tracking and to fill gaps in reimbursement expenses.
- Up to \$100,000 to increase professional capacity to serve HHS clients. Funds will be used to support mental health case management for community members engaging with HHS staff for eviction prevention interventions or other direct services. These investments through ARPA could serve as a pilot to determine the degree to which expanding temporary mental health case management services through HHS results in improved outcomes and alleviates high demand for referral services. Expanded case management services could potentially be provided by our Crisis Intervention Response Team members, or through contracts with other therapists.
- Up to \$150,000 to support access to services for diverse community members. This could include vouchers for community members who are low-income and uninsured but who are not eligible for Medicaid benefits; services for community members requiring language access or other culturally relevant services. To determine needs and service gaps, staff will continue to engage with nonprofit partners and Boulder County (which is making substantial investments to expand mental health services) to ensure that city ARPA funds complement, not duplicate those investments.
- Staff propose using funds as necessary to evaluate the impact of these workforce capacity investments and capture lessons learned for mental and behavioral health services post-ARPA.

*Equity Implications*

HHS staff conversations with mental and behavioral health agency and program staff – including for agencies that are led by and primarily serve people of color, immigrants,

LGBTQ community members and people of all ages – included input about underrepresented community members who may benefit or be negatively impacted by the proposed funding allocations.

### ***Childcare Capacity & Industry Support***

*Tranche 3 Funding Recommendation: \$1,500,000*

*Purpose.* To support short- and longer-term capacity needs in the childcare industry, deeply affected by COVID-19, and to enhance and diversify childcare opportunities for Boulder families toward better socio-economic, childhood development, health and equity outcomes. Investments will address the needs of diverse childcare providers and families, including those who are low-income or otherwise experiencing socio-economic disparities; and who have been excluded or are experiencing barriers in providing or receiving childcare services.

*Proposal Description.* To address both childcare provider and family needs, staff propose the following:

- Up to \$700,000 for renovation of the Salberg Community Center to enable its use as a childcare facility for children ages 2.5 years and up. This facility is currently under Parks and Recreation Department management and has been underutilized. Its proximity to Columbine Elementary and other features make it a good location for services to Boulder families, including low-income families. Staff envision that the facility could be used to maintain existing childcare services for organizations that may need an alternative location and help expand childcare options by recruiting an additional childcare agency. HHS and Parks and Recreation staff would continue collaborating on this project to engage with community members and childcare agencies, and to ensure quality renovation for optimal use of the facility. Next steps for city staff include building a complete project management team; conducting a Use Review process; outreach and engagement with neighborhood community members. The site is in Salberg Park and zoned RL-1, where daycare centers are allowed with Use Review. If approved for this proposed use, staff would then proceed with renovations as required for a certified childcare facility.
- Up to \$200,000 for training and capacity-building for Spanish-speaking childcare providers. Allocations will include funding to the Colorado Statewide Parent Coalition for Spanish language, culturally centered training and support for Friends, Family and Neighbor (FFN) childcare providers: at-home providers who predominantly are Latinx and who address childcare needs for many low-income working families. Staff will also utilize \$15,000 from Tranche 3 funds (in addition to \$30,000 in Tranche 2 funding) for business training including financial management, marketing, technology, in Spanish and English, and grants for local childcare businesses provided by the Boulder Small Business Development Center. These funds will leverage state funding and help childcare businesses put into practice what they learn by helping to offset startup, safe operations and expansion costs.
- Up to \$600,000 to help stabilize and increase the childcare workforce and enable family access to childcare services. Allocations would primarily include expansion of the city Child Care Subsidy to include families experiencing financial strain but who are not eligible for federal or city childcare assistance programs; and professional development for child care providers who want to raise their child care quality rating. HHS staff will continue to engage with local childcare providers including those



currently serving low-income working families, and allocate funds that complement our current childcare investments and programs, and other regional ARPA investments to support the childcare industry.

### *Equity Implications*

The childcare industry has suffered deep impacts from COVID-19, due to COVID-19 illness and absences for providers and children; lack of revenue and resulting staffing shortages; reduced or changed work hours for families; and other challenges. These dynamics are resulting in fewer childcare slots for all families, and disproportionate impacts to women seeking to return to the workforce, lower-income families and families of color. The city's proposed allocations are focused on the needs of providers and families who are, or serve Boulder's low-income and culturally-diverse community for benefits that we believe can extend beyond the timeframe for ARPA investments.

### ***Guaranteed Income Pilot Project***

*Tranche 3 Funding Recommendation: \$2,750,000*

*Purpose.* To help low-income community residents achieve longer-lasting financial stability and security, through temporary monthly cash payments with no strings attached, to supplement existing human services and social services assistance. The guaranteed income pilot project can help enable community members who lack sufficient income, to live well and thrive in the city of Boulder. See the full description from the [May 24 council study session](#).

*Proposal Description.* Funding would be used to fully implement a guaranteed income pilot project for which the design phase has already begun. From the \$250,000 in city ARPA funds approved by city council for the pilot project design phase, staff have identified and are working to finalize a contract with a pilot project management consultant, and are eager to proceed with design elements to implement the project in spring or early summer 2023.

Pilot project outcomes may include increased housing and food security, increased mental health and wellness, increased level of employment or higher wages, increased ability to withstand financial hardship and crisis, increased feelings of dignity. The project also includes transformative elements such as reduced barriers to financial assistance, increased trust in government among those disenfranchised by government processes, and a more equity-based social contract between government and community members.

The majority of Tranche 3 funding – roughly \$2.4M – will be allocated for direct cash payments to project participants. As was presented to council in May 2022, the exact project details (target population, eligibility, cash payment amount, frequency and length of time of payments) will be determined with input from a Community Task Force which staff and the project consultants expect to convene by January 2023. For planning purposes, staff estimate 200 community members will directly benefit from this project. Other pilot project budget items include language translation and interpretation; stipends for Community Task Force members or other community members with lived experience providing input on project design, implementation and evaluation; outreach materials and media services; and evaluation research and reporting.

With approval, staff will move forward expeditiously and collaboratively with the pilot project consultant to advance pilot project design toward implementation.

*Equity Implications.* Poverty disproportionately impacts people of color and other community members who experience socio-economic disparities due to their personal identities. Staff will continue to utilize racial equity assessment tools and inclusive community engagement practices to ensure that the project is accessible to diverse populations in Boulder.

***Manufactured Housing Communities Support: Ponderosa Second Mortgage Program***  
*Tranche 3 Funding Recommendation: \$3,000,000*

*Purpose.* To provide enhanced affordability to residents of manufactured home communities, through a second mortgage for low-income homeowners in the Ponderosa Mobile Home Park.

*Proposal Description.* This project would focus first on Ponderosa due to the unique opportunity for residents to own new, energy-efficient modular homes through the Ponderosa Community Stabilization Project, to replace old, unstable homes that are near or beyond their expected structural life. A second mortgage, with no monthly payments only to be paid at 30 years or the time of home sale, would keep housing costs affordable for Ponderosa residents who want to replace older mobile homes with new homes, while maintaining affordable housing costs, including mortgage payments. A revolving fund feature of this program establishes the level of investment necessary to reverse systemic inequities in homeownership access household by household.

Based on rising interest rates and knowledge about household need, staff estimate that the assistance amount through this project could be up to \$100,000 for each participating homeowner (Lower interest rates could mean an average of \$80,000 in mortgage assistance per homeowner). With approval of this recommendation, staff would solidify partnerships in housing and lending including Flatirons Habitat for Humanity, First Bank and CDFI Impact Development Fund, and continue outreach and engagement efforts in the Ponderosa community about this project, and incorporate input from homeowners to help ensure effective project implementation.

*Equity Implications.* Affordability is the primary challenge facing lower-income Boulder residents. Low-income households, including those living in manufactured homes, suffered disproportionate economic and health impacts due to the pandemic and additional coordination of resources is necessary to ensure an equitable recovery. Nationally, people of color are less likely to own homes or have the opportunity to build generational wealth. Based on demographic surveys, 39% of Ponderosa residents identify as Hispanic/Latino compared to 10.3% of the population for Boulder, and 3% Native American/Alaska Native compared to the .1% for the city. A second mortgage program would provide a transformative opportunity for low-income and people of color residents in Ponderosa and potentially other manufactured housing communities in Boulder.

### ***Winter Shelter Support***

*Tranche 3 Funding Recommendation: \$435,269*

*Purpose.* To provide adequate shelter and other basic need support during the 2022-23 winter season, to unsheltered community members.

*Proposal Description.* Each year, the city allocates funding through HHS to local nonprofit agencies to provide shelter during severe weather, for community members who are homeless and would otherwise be vulnerable to unsafe or dangerous weather conditions. The rising costs of this service, through hotels and increased use of space at local shelters, requires additional city funding.

Staff estimate that \$470,000 will meet this need for the 2022-23 winter season. Of that amount, the vast majority of funds would be used for the cost of hotel rooms, meals, and transportation for people needing shelter, and additional funds for staffing. However, we do not need to rely only on Tranche 3 ARPA funds for this purpose; staff are also able to reallocate some HHS funds, tap Tranche 2 funding for basic needs assistance, and seek other sources of funding to fully meet this need.

*Equity Implications.* People experiencing homelessness who are not otherwise accessing shelter services, are most vulnerable to health and safety risks during the winter months. County data indicates that Boulder's homeless population is 11.6% Black/African American, 3.8% Native American/Alaska Native, 20.6% Hispanic/Latinx. 12.4% identify as multiracial. For each of these demographic categories, the percentage is significantly higher than the general population.

### ***Continued Economic Recovery***

*Tranche 3 Funding Recommendation: \$470,000*

*Purpose.* Funding for continued economic recovery will help address persistent challenges in the restaurant and retail industries while improving sales tax revenue and adaptation to a post-pandemic future.

*Proposal Description.* Despite improvement in many economic sectors, retailers and restaurants have experienced slower recovery as evidenced by lagging retail sales taxes. Leveraging current efforts with additional funding needed to implement the citywide Outdoor Dining Pilot and develop programs to activate areas of the city that have experienced slower recovery will facilitate inclusive economic recovery in key activity centers.

Staff propose the following allocations to facilitate the recovery of local restaurants and areas of the city that continue to experience disproportionate impacts of the pandemic:

- \$250,000 to support the implementation of the citywide Outdoor Dining Pilot focused on providing a safe outdoor dining experience that will enable small restaurants and retailers to attract more customers, contributing to increased sales tax revenue and long-term economic sustainability and resilience (This funding is in addition to Tranche 1 and Tranche 2 funding to support outdoor dining).
- \$220,000 to fund efforts to facilitate economic recovery of city's commercial districts, particularly those areas that have recovered more slowly than other parts of

the city as evidenced by city sales tax revenue and the number of businesses that have closed. A portion of funding (\$200,000) would be used to develop and implement special events, interactive public art and other programs to activate and increase the number of visitors to the areas. The remaining \$20,000 would help fund business outreach and assistance provided by The Hill Boulder Merchants Association to support inclusive economic recovery in the University Hill area.

*Equity Implications.* The restaurant and retail industries continue to experience negative impacts from the pandemic, and recovery has been slower for those businesses located in the University Hill commercial district and on the west end of the Downtown Boulder commercial district. Reduced sales and business closures have led to job losses for a number of individuals, including those from historically underserved communities. To ensure that the citywide Outdoor Dining Pilot and programs to activate the city's commercial districts are accessible to and benefit diverse populations in Boulder, staff will continue to utilize racial equity assessment tools and inclusive engagement practices.

### ***Transformative Economic Recovery Opportunities***

*Tranche 3 Funding Recommendation: \$715,000*

*Purpose.* The creation of inclusive programs can help individuals and small businesses, including those owned by women and people of color, improve their financial situation with increased access to specialized training, markets and sales opportunities for their products and services, financing and other resources, and affordable business space.

*Proposal Description.* Finding qualified workers continues to be a challenge for many employers, including small businesses, while some individuals experience persistent underemployment or unemployment. Many high-demand, hard-to-fill positions require CPR certification, de-escalation, commercial driver licenses, or other certifications or training that may be inaccessible based on cost or other factors for individuals in historically excluded communities. Workforce Boulder County, Boulder Economic Council, educational institutions and other organizations are working collaboratively on initiatives to foster a diverse and skilled workforce.

City staff is working with NAACP Boulder County, the Latino Chamber and Boulder SBDC to develop and provide enhanced support for BIPOC owned businesses. Implementation of the city's new inclusive procurement policy will require building connections to increase the awareness of opportunities to do business with the city. Business and partner feedback indicates many businesses lack awareness of the opportunities and resources available to help businesses benefit from state and federal government contracting and corporate supplier diversity programs.

In a recent survey, nearly three-fourths of businesses expressed concern about the cost of space in Boulder and there is an unmet need for affordable commercial kitchen, research, retail and other spaces to support small businesses in key industries. City staff is managing current affordable commercial efforts while exploring opportunities for creating additional below-market spaces and researching programs in other markets.

Staff propose the following allocations to support efforts to address labor shortages and increase employment and business opportunities for historically excluded communities:

- \$50,000 to develop programs in partnership with Workforce Boulder County and other organizations to leverage upskilling and other workforce development programs to provide employment opportunities for individuals and increase the availability of skilled workers to meet employer needs (moved to Tranche 3 from Tranche 2).
- \$60,000 to enhance support and facilitate economic recovery of BIPOC owned businesses including outreach and specialized programming provided by the NAACP Boulder County, Latino Chamber and Boulder SBDC (moved to Tranche 3 from Tranche 2). Funding would be used to expand programming, in English and Spanish, and outreach to historically underserved communities through the SBDC's proven Path to Entrepreneurship (P2e) Program.
- \$225,000 to help small businesses, with a special emphasis on women- and minority-owned businesses, find new revenue streams which may include opportunities from government contracting (at the federal, state and local levels) and corporate supplier diversity programs. The multi-prong program would help small businesses understand the benefits and challenges of contracting, determine if actual opportunities are a match to their products, services and expertise, apply for certifications and registrations needed for government contracting, identify specific relevant contract opportunities, effectively present their business to increase the likelihood of awards and set up compliant accounting and reporting systems. This funding would support the development and implementation of specialized workshops and consulting programs by the Boulder SBDC and leverage funding being provided by the state to support certifications, contracting and supplier diversity. Funding would also be used to support the city's procurement program.
- \$380,000 to develop and implement programs to address the increasing cost of space for startups and small businesses in Boulder including women- and minority-owned businesses. Funding would be used to leverage research to identify local needs and opportunities and best practices around the country to enhance current and develop new programs to increase availability of more affordable commercial spaces for small businesses in a wide range of industries, supporting the city's goal of maintaining a diverse mix of businesses. Funding would also be used to address the need for more affordable or inclusive goods and services as identified in the Citywide Retail Strategy. Areas being explored include developing more affordable research lab space for life science and renewable energy startups (\$20,000 moved to Tranche 3 from Tranche 2), shared commercial kitchen space for small food manufacturers, and shared or pop-up retail spaces.

*Equity Implications.* The proposed transformative economic initiatives would provide the investment needed to catalyze economic revitalization and accelerate inclusive economic recovery by enhancing efforts to address persistent economic challenges; support a more diverse, equitable and inclusive employment base and business community; and increase the availability of inclusive goods and services.

### ***Other Scoping Updates from Original Recommendations***

#### *Digital Divide Improvements*

Staff included this initiative as a potential Tranche 3 recommendation because of the need for continued planning to address the needs within underserved areas related to

digital access. Additional work with key partners, including Boulder County and BVSD, is necessary to determine the appropriate city role for support in finding interim solutions. There may be a path forward with existing infrastructure and services, but additional analysis is needed to determine actual need, especially within manufactured housing communities.

Planning and coordination activities have occurred since August 2021, including direct conversations with Boulder Valley School District, Boulder Housing Partners, and internet service providers for Boulder manufactured housing communities to assess access and affordability of service and additional scoping will continue outside of the ARPA-related process to identify potential solutions. Staff is withdrawing this funding recommendation to prioritize other investments.

*San Lazaro Community Annexation*

This initiative is included within the potential Tranche 3 projects because there may be a role for the city to help offset some of the costs if certain conditions of funding and connection are met by the private owners of the park. Additionally, there is concern of ARPA eligibility until an annexation agreement is in place since the park is not currently within city limits. This constraint could be ameliorated by the participation of Boulder County with ARPA dollars in certain aspects of the annexation.

Staff have for several years been engaging with the San Lazaro manufactured housing community owners about possible annexation of the park into Boulder. Initially, staff envisioned that ARPA funds could be used for infrastructure costs such as wastewater connection if annexation agreements move forward. However, to date staff have not been successful in getting agreement from the park owner about conditions of funding. Because city ARPA funds may be ineligible for allocation outside the city limits, because it seems unlikely that annexation could occur within ARPA allocation and expenditure timelines, staff are withdrawing this funding recommendation.

***Total ARPA Spent/Committed/Available***

	<b>Amount Spent and/or Committed</b>	<b>Amount Available for Reallocation</b>
Tranche 1 – Gap Funding	\$868,600	\$0
Tranche 1 – Immediate Needs	\$2,108,400	\$0
Tranche 1 – Public Health Reserve	\$452,679	\$547,321
Tranche 2 – Appropriated	\$4,806,000	\$0
Tranche 3 – Recommended	\$11,370,269	\$0
<b>Total ARPA Funds</b>	<b>\$19,605,948</b>	<b>\$547,321</b>

***Reallocation of Tranche 1 Public Health Reserve***

During the budget meetings in October, Council discussed potential ARPA investments through the reallocation of public health reserve funds towards items such as basic human services needs, homelessness services, small business support, and arts and cultural funding. The total amount available for reallocation through the Tranche 1 public health reserve is \$547,321. Staff recommends the following for reallocation of the remaining public health reserve:

### *Arts Funding Recommendations*

During the discussion of the 2023 proposed budget at the two meetings in October, individual council members expressed an interest in funding two community needs: a) supporting professional artists and b) supporting arts venues because both artists and venues are experiencing a slower recovery after pandemic closures and the economic downturn. In addition, there was public testimony in October about the need for additional General Operating Support (GOS) for specific nonprofit organizations.

There have been several forms of operating support distributed in this past year. ARPA has provided funds for arts workforce support in the amount of \$915,000 through Tranche 2. This adds a little over \$300,000 each year to the grant program, including in the 2022 distributions. Also, the GOS grants which were distributed by the Arts Commission in 2022 for three-year terms: 37 organizations were awarded a total of \$756,000 in grants from the annual general fund allocation. While there were a couple of organizations that did not receive support through that competitive process, staff does not recommend to revisit the funding decisions if additional ARPA dollars were allocated. In response to the some of the council discussion from October, staff believes that the best tactic will be to provide support to artists and venues as a targeted response to lagging areas of recovery within the arts industry.

Staff recommends that an allocation of \$150,000 be made from the unspent ARPA funds to add capacity to two existing grants programs: the Artist Hiring Incentive and the Venue Affordability and Online Event Fund. Staff will work with the Arts Commission to set criteria and award amounts. Increasing the capacity of the Artist Hiring Incentive will provide another round of direct assistance to arts organizations to encourage them to hire artists to perform or create new work. The additional funds for the Venue Affordability grants is focused on increasing the support to offset costs for artists and organizations to rent theaters and galleries. Applicants to these grants can also ask for funds to mitigate the expense of producing online content.

### *Basic Human Service Needs Recommendations*

As COVID-19 continues to spread throughout our community, so do the employment and economic impacts on community members. Compounding issues such as rising costs of food, gas and household goods are increasing the demand for basic needs assistance among people who have never before visited a food pantry or been at risk of eviction. Additionally, city staff are tracking the potential impacts on Boulder low-income community members and nonprofit agencies, that could occur when the federal government lifts the COVID-19 public health emergency order; this could result in loss of Medicaid coverage and other benefits, and greater financial assistance needs in 2023-24.

HHS staff continually communicate with our nonprofit agency and funding program partners, and directly with community members about basic needs, and prepare to the best of our ability to allocate funding from local, state, federal and ARPA sources to meet those needs. Determining when and where ARPA funds can be most helpful, requires awareness of how the city is already planning to allocate local funds (e.g. annual allocations from the Human Services Fund and Health Equity Fund; Homelessness funding), and what funds we plan to request and receive from state government. It is most

helpful to staff, to have the flexibility to draw from sources like the city’s ARPA public health reserve as needs evolve and emerge.

As such, staff propose allocating \$397,321 from the public health reserve to provide basic needs assistance, with staff discretion based on the most critical or timely needs and in alignment with the city ARPA goals and outcomes. Staff anticipate utilizing these funds for:

- food security (e.g. food banks and other food security programs where the need exceeds our ability to support through the Health Equity Fund alone);
- rental and financial assistance (e.g. for needs that exceed funds available through EPRAS, Keep Families Housed, or 2023 funds available through Older Adult Services or Family Services);
- health services including COVID-19 vaccine or testing, or financial assistance to individuals or families for medical expenses; and
- temporary sheltering for families if the demand exceeds the city funds already allocated to nonprofit agencies for services in 2023.

Similarly, staff propose that funds not spent by September 2023 for water utility assistance be available for other basic needs assistance, such as financial assistance or rental assistance through HHS or local nonprofit agencies.

### ***Update on Boulder County Spending and Collaboration***

City staff frequently communicate with staff from Boulder County, City of Longmont and other municipalities about ARPA planning and allocations. This is not only for exchange of information about community needs and opportunities for investment, but also to ensure that city investments complement, rather than duplicate or conflict with those of our partner agencies. Many of the investment recommendations from city staff were carefully designed with awareness of the [county’s ARPA priorities](#), and staff will continue to flesh out project details in this manner. For example, the city’s proposed use of funds for behavioral health safety net services are focused on workforce capacity which complements the county’s focus on expansion of mental health service access. Staff continue to be in close communication with county partners about needs and gaps related to affordable housing, rental assistance, childcare and grants to specific nonprofit agencies or business sectors to ensure the most strategic use of city funds.

### **NEXT STEPS**

Second reading and public hearing for this supplemental appropriation is scheduled for Dec. 1, 2022.

### **ATTACHMENTS**

- A. Ordinance 8558 containing supplemental appropriations to the 2022 Budget
- B. Table of Supplemental Appropriations by Fund and Department



**ORDINANCE 8558**

**AN ORDINANCE RELATING TO THE FINANCIAL AFFAIRS OF THE CITY OF BOULDER, COLORADO, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022 SETTING FORTH DETAILS IN RELATION TO THE FOREGOING.**

WHEREAS, Section 102 of the Charter of the City of Boulder provides that: "At any time after the passage of the annual appropriation ordinance and after at least one week's public notice, the council may transfer unused balances appropriated for one purpose to another purpose, and may by ordinance appropriate available revenues not included in the annual budget;" and

WHEREAS, the City Council now desires to make certain supplemental appropriations for purposes not provided for in the 2022 annual budget; and,

WHEREAS, required public notice has been given;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, that the following amounts are appropriated from additional projected revenues and from unused fund balances to the listed funds:

Section 1. General Fund		
Appropriation from Additional Revenue		\$ 858,113
Appropriation from Fund Balance		\$ 6,142,618
Section 2. .25 Cent Sales Tax Fund		
Appropriation from Additional Revenue		\$ 29,929
Section 3. Airport Fund		
Appropriation from Fund Balance		\$ 188,000
Section 4. Capital Development Fund		
Appropriation from Fund Balance		\$ 1,118,415
Section 5. Compensated Absences Fund		
Appropriation from Fund Balance		\$ 250,000

1	Section 6. Equipment Replacement Fund		
2	Appropriation from Fund Balance	\$	603,500
3	Section 7. Fleet Fund		
4	Appropriation from Additional Revenue	\$	300,000
5	Appropriation from Fund Balance	\$	480,000
6	Section 8. Library Fund		
7	Appropriation from Additional Revenue	\$	17,589
8	Appropriation from Fund Balance	\$	1,248,794
9	Section 9. Open Space Fund		
10	Appropriation from Additional Revenue	\$	142,527
11	Appropriation from Fund Balance	\$	19,736
12	Section 10. Permanent Parks & Recreation Fund		
13	Appropriation from Additional Revenue	\$	62,200
14	Section 11. Property & Casualty Insurance Fund		
15	Appropriation from Additional Revenue	\$	2,600,000
16	Appropriation from Fund Balance	\$	200,000
17	Section 12. Recreation Activity Fund		
18	Appropriation from Additional Revenue	\$	967,688
19	Section 13. Transportation Fund		
20	Appropriation from Fund Balance	\$	2,000,000
21	Section 14. Wastewater Utility Fund		
22	Appropriation from Additional Revenue	\$	300,000
23	Section 15. Water Utility Fund		
24	Appropriation from Fund Balance	\$	171,000
25	Section 16. The City Council finds that this ordinance is necessary to protect the		
26	public health, safety, and welfare of the residents of the City and covers matters of local		
27	concern.		
28	Section 17. If any part or parts hereof are for any reason held to be invalid, such		
29	shall not affect the remaining portion of this ordinance.		
30	Section 18. The Council deems it appropriate that this ordinance be published by		
31	title only and order that copies of this ordinance be made available in the Office of the		
32	City Clerk for public inspection and acquisition.		

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INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED

BY TITLE ONLY this 17<sup>th</sup> day of November 2022.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

READ ON SECOND READING, PASSED, AND ADOPTED this 1<sup>st</sup> day of

December 2022.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

ATTACHMENT B - Table of Supplemental Appropriations by Fund

Request by Fund	Additional Unbudgeted Revenue	Fund Balance	Grant Revenue	Grand Total
<b>1100-General</b>	<b>\$796,324</b>	<b>\$6,142,618</b>	<b>\$61,789</b>	<b>\$7,000,731</b>
<b>Community Vitality</b>	<b>\$147,100</b>			<b>\$147,100</b>
Outdoor Dining Parklet Infrastructure	\$147,100			\$147,100
<b>Facilities &amp; Fleet</b>		<b>\$103,550</b>		<b>\$103,550</b>
General Facilities Operation and Maintenance		\$45,000		\$45,000
Sprinkler System Repairs		\$38,550		\$38,550
Public Safety Building Space Analysis (Re-appropriation)		\$20,000		\$20,000
<b>Finance</b>		<b>\$2,600,000</b>		<b>\$2,600,000</b>
Police Claim Settlement Funds		\$2,600,000		\$2,600,000
<b>Fire</b>		<b>\$164,947</b>		<b>\$164,947</b>
Reconciliation for Fire-Rescue Fleet Expenses		\$205,269		\$205,269
Bunker Gear Decontamination		\$26,678		\$26,678
Blue Card Train the Trainer Classes		\$21,000		\$21,000
Zone Haven Evacuation Software		\$12,000		\$12,000
Reconciliation of Equipment Replacement Funding Appropriation		-\$100,000		-\$100,000
<b>Library</b>	<b>\$8,520</b>	<b>\$619,121</b>	<b>\$61,789</b>	<b>\$689,430</b>
North Boulder Branch Library Construction Project		\$619,121		\$619,121
Library Services and Technology Act / ARPA Funding			\$35,289	\$35,289
Boulder Library Foundation support for temporary staff hours at the Carnegie Library for Local History			\$26,500	\$26,500
Revenues for Library Downloadable eBook Collection	\$8,520			\$8,520
<b>Parks and Recreation</b>		<b>\$315,000</b>		<b>\$315,000</b>
Vandalism and Encampment Removal- City of Boulder Downtown Area		\$175,000		\$175,000
Parks and Rec Fleet Replacement Charges		\$15,000		\$15,000
Downtown Vision Plan		\$15,000		\$15,000
South Zone Vandalism Expenses		\$110,000		\$110,000
<b>Fundwide / Citywide</b>	<b>\$640,704</b>	<b>\$2,340,000</b>		<b>\$2,980,704</b>
Reconciliation of 2021 Capital Improvement Project Refunding Note Payment		\$2,340,000		\$2,340,000
Reconciliation of Hogan Pancost Debt Service Transfer	\$640,704			\$640,704
<b>2100-Capital Development</b>		<b>\$1,118,415</b>		<b>\$1,118,415</b>
<b>Facilities &amp; Fleet</b>		<b>\$285,000</b>		<b>\$285,000</b>
Brenton Building Water Removal		\$285,000		\$285,000
<b>Library</b>		<b>\$433,415</b>		<b>\$433,415</b>
North Boulder Branch Library Construction Project		\$433,415		\$433,415
<b>Parks and Recreation</b>		<b>\$400,000</b>		<b>\$400,000</b>
Flatirons Golf Course Enhancement Project		\$400,000		\$400,000
<b>2180-.25 Cent Sales Tax</b>	<b>\$15,929</b>		<b>\$10,000</b>	<b>\$29,929</b>
<b>Parks and Recreation</b>	<b>\$15,929</b>		<b>\$10,000</b>	<b>\$29,929</b>
Boulder Reservoir Main Building (Boardwalk and Playground)				\$4,000
Tree Mitigation and Forestry Donations	\$15,929			\$15,929
NLC - Youth, Education and Families and Children & Nature Network Grant			\$10,000	\$10,000
<b>2200-Library</b>		<b>\$1,248,794</b>	<b>\$11,049</b>	<b>\$1,266,383</b>
<b>Library</b>		<b>\$1,248,794</b>	<b>\$11,049</b>	<b>\$1,266,383</b>
North Boulder Branch Library Construction Project		\$1,248,794		\$1,248,794
Boulder Library Foundation Supplemental Grant Funds			\$11,049	\$11,049
Warner Charitable Trust Annual Contribution to Library Materials Acquisitions				\$6,540
<b>2300-Recreation Activity</b>		<b>\$600,000</b>	<b>\$362,188</b>	<b>\$967,688</b>
<b>Parks and Recreation</b>		<b>\$600,000</b>	<b>\$362,188</b>	<b>\$967,688</b>
Flatirons Golf Course Enhancement Project		\$600,000		\$600,000
Mobile Rec Van SSBTD Grant (YSI)			\$45,000	\$45,000
Recquity Program- Recreation Center Visits SSBTD Grant (Recreation Centers)			\$30,500	\$30,500
Boulder County Developmental Disability Grant (EXPAND)			\$18,419	\$18,419
Healthy Together Grant SSBTD Grant (YSI)			\$45,000	\$45,000
Colorado Respite Coalition Grant (EXPAND)			\$19,143	\$19,143
Child Care Stabilization and Workforce Sustainability Grants			\$185,864	\$185,864
EXPAND Scholarships				\$5,500
State of Colorado Lifeguard Grant			\$18,261	\$18,261
<b>2500-Open Space</b>	<b>\$57,527</b>	<b>\$19,736</b>	<b>\$80,000</b>	<b>\$162,263</b>
<b>Open Space &amp; Mountain Parks</b>	<b>\$57,527</b>	<b>\$19,736</b>	<b>\$80,000</b>	<b>\$162,263</b>
Jr Ranger Donations				\$5,000
Colorado State University State Fire Assistance Grant for South Boulder Fuels Treatment			\$80,000	\$80,000
Cottontail Great American Insurance	\$57,527			\$57,527
Raptor Fund		\$19,736		\$19,736
<b>2700-Airport</b>		<b>\$188,000</b>		<b>\$188,000</b>
<b>Transportation</b>		<b>\$188,000</b>		<b>\$188,000</b>
Airport Salaries and Benefits		\$122,000		\$122,000
Legal Support Services		\$40,000		\$40,000
Transportation Building Maintenance		\$15,000		\$15,000
Transportation Department Fleet Charges		\$11,000		\$11,000
<b>2800-Transportation</b>		<b>\$2,000,000</b>		<b>\$2,000,000</b>
<b>Transportation</b>		<b>\$2,000,000</b>		<b>\$2,000,000</b>
North Broadway Construction project		\$2,000,000		\$2,000,000
<b>3300-Permanent Park &amp; Recreation</b>	<b>\$26,200</b>			<b>\$26,200</b>
<b>Parks and Recreation</b>	<b>\$26,200</b>			<b>\$26,200</b>
Memorial Bench Program				\$36,000
Harbeck House Lease Revenue	\$26,200			\$26,200
<b>6100-Water Utility</b>		<b>\$171,000</b>		<b>\$171,000</b>
<b>Utilities</b>		<b>\$171,000</b>		<b>\$171,000</b>
Betasso Roof Replacement		\$171,000		\$171,000
<b>6200-Wastewater Utility</b>	<b>\$300,000</b>			<b>\$300,000</b>
<b>Utilities</b>	<b>\$300,000</b>			<b>\$300,000</b>
WRRF Project	\$300,000			\$300,000
<b>7110-Property &amp; Casualty Self Ins</b>	<b>\$2,600,000</b>	<b>\$200,000</b>		<b>\$2,800,000</b>
<b>Finance</b>	<b>\$2,600,000</b>	<b>\$200,000</b>		<b>\$2,800,000</b>
Police Claim Settlement Funds	\$2,600,000	\$200,000		\$2,800,000
<b>7210-Fleet</b>	<b>\$300,000</b>	<b>\$480,000</b>		<b>\$780,000</b>
<b>Facilities &amp; Fleet</b>	<b>\$300,000</b>	<b>\$480,000</b>		<b>\$780,000</b>
Fire-Rescue Type III Apparatus Purchase		\$480,000		\$480,000
Additional Appropriation For Bulk Fuel Expenses	\$300,000			\$300,000
<b>7400-Equipment Replacement</b>		<b>\$603,500</b>		<b>\$603,500</b>
<b>Facilities &amp; Fleet</b>		<b>\$603,500</b>		<b>\$603,500</b>
P&DS EnerGov Software		\$475,000		\$475,000
Flowbird Paystations for CV		\$128,500		\$128,500
<b>7190-Compensated Absences</b>		<b>\$250,000</b>		<b>\$250,000</b>
<b>Finance</b>		<b>\$250,000</b>		<b>\$250,000</b>
Compensated Absence Fund Increase		\$250,000		\$250,000
<b>Grand Total</b>	<b>\$4,095,980</b>	<b>\$13,022,063</b>	<b>\$525,026</b>	<b>\$17,700,109</b>