

Do Better Denver: 2020 Budget Priorities & Analysis

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PRIORITIZATION FACTORS

Budgeting is the most important part of our civic life. It is where we match our investments with our dollars and tie measurable goals to our investments. In preparation for an economic downturn, the Administration and/or Council should be prioritizing our investments with a lens toward equity and tangible immediate impact. I will be proposing that my colleagues analyze our many budget proposals based on the following factors:

- Does it SPECIFICALLY serve an identified vulnerable group or area?
- Is it a study?
- Is it an education campaign?
- Is it immediate impact?
- Is it short-term impact?
- Is it long-term impact?
- Does it require new staff?
- Is it in an agency whose budget is shrinking?
- Is it district-specific?
- Is there a citywide impact?
- Is it an ongoing expense?

2020 BUDGET ANALYSIS: TOP-HEAVY ADMINISTRATION VS. COMMUNITY INVESTMENTS

The city's proposed 2020 budget shows a significant expansion in executive and administrative costs, while allocations for human services, infrastructure and projects have decreased or remained static. Given the key economic indicators outlined in the City budget, the diversion of funding to management functions, at the expense of direct services, appears counter to the best practices associated with preparing a metropolis for an economic downturn.

When the cycle of economic hardship revisits this region, thousands of homeless people and those at risk of homelessness will be poised to weather the storm. But without adequate bolstering of community services, infrastructure and climate-friendly improvements, increasing numbers of Denver's most vulnerable residents will slide further into poverty while those currently holding steady will find themselves needing support that will be unavailable.

Based on the increased funding for administrative and executive-level costs and cuts or

under-resourcing of direct services, it may be inferred that the city administration in its final term is feathering the nests of its benefactors and operatives, while underfunding or cutting its financial commitment to the communities that they are charged with uplifting. Even to the lay budget analyst, the downward trend in funding that could otherwise flow to the community is at odds with mayoral proclamation of social equity and racial justice. This budget is grossly top-heavy precisely at a time when foundational investments in community are needed.

Examples of administrative bloat include:

- 57 Mayoral appointees, all but 10 of whom make \$100K or more annually, totaling nearly \$8 million dollars, including annual salary increases (See [“Mayoral Appointee Salaries”](#))
- The office of Denver Economic Development and Opportunity’s (DEDO’s) staff and salary structure within its \$8.17 million 2020 General Fund requests an “increase in personnel services for the reallocation of employees to align scope of work to day-to-day job duties”: \$291.4K for 3 full-time employees (FTEs), averaging \$97K per employee (pp. 326–328).
- One Marketing and Communications Manager transferring from DEDO to the new Department of Housing Stability (HOST): \$148K for 1 FTE.
- The Division of Small Business Opportunity (DSBO) is calling for two additional administrators at \$125.4K for 1 FTE and \$118.2K for 1 FTE (p. 327). There’s also a suggested addition of \$740.6K for a vague “support operations activities” line item (p. 328).
- Operations and Communications previously carried policy and marketing staff who were extremely well paid: \$173.8K for 1 FTE and \$220K for 2 FTE, respectively (p. 328)

Despite this proposed budget’s dire warnings of an economic downturn (which the Mayor denied during his re-election campaign mere months ago), mechanisms for fiscal accountability have been chiseled down, including:

- One of DSBO’s primary functions is the certification of small minority- and women-owned businesses for both local and federal programs (p. 320). The City projects \$111 million in payments to DSBO-certified firms in 2019 and another \$115 million in 2020 (p. 324). However, DEDO appears to cut 100% of DSBO certification, compliance, airport compliance unit, and airport concessions unit expenditures in its 2020 budget recommendations (p. 329). These cuts would shake out to roughly \$1.59 million total—far less than the ~\$450.7K in reductions listed in DSBO’s Programmatic Changes section (pp. 327–328). It’s unclear why this funding is recommended for elimination, or if compliance and certification activity will continue within DSBO or elsewhere.
- Additionally, DEDO is calling for huge increases in administrative spending and staff elsewhere in DSBO (pp. 329–330). Despite cutting all certification and compliance

expenditures, DSBO's 2020 Expenditures by Activity are set to increase \$232K (7.6%). This is driven entirely by growth in:

- o Airport Administration: \$1.54 million (237.2% increase) for 14 FTE (250% increase)
- o Downtown Administration: \$1.73 million (73.7% increase) for 15 FTE (114.3% increase)

THE HOUSING SHELL GAME

While most programs managed by the former Denver Housing Division (previously part of DEDO) have been transferred to the newly-created Department of Housing Stability (HOST), DEDO will retain control of the Community Development Block Grant (CDBG) program.

- The CDBG program is a significant line item at \$21 million, \$2.37 million (11.27%) of which is administration. It is funded by a federal grant from the U.S. Department of Housing and Urban Development (HUD).
- It is unclear why control of the CDBG program is not following other housing-related programs to HOST, given that it was previously managed by the Housing Division and is funded entirely by HUD.
- It's also unclear why DEDO is allowed to retain any control of housing programs at all given their spectacular, high-profile failures in attempting to administer the City's affordable housing stock (see HOST Budget Highlights for more detail).
- CDBG funding is easily the largest pool of money under DEDO's control, yet there is zero mention of how previous grant funds have been used, what results they've achieved, or how they plan to use this funding in the future.
- The CDBG program is not mentioned in the department summary (pp. 320–321) despite accounting for twice as much money as all the programs listed there combined.

DO BETTER DENVER: PROPOSED BUDGET AMENDMENTS

In order to truly make Denver “do better,” I propose the following amendments to the 2020 Budget:

38th Street Underpass: Complete the study and implementation recommendations for the underpass

Cost TBD

Source of funding: Community Planning & Development

This underpass is geographically divided by railroad tracks. Currently, the two sides rely on only two connectors: Broadway and the 38th Street underpass. The underpass – though used by cars, bicyclists, and pedestrians – is dangerous: it is unlit, and has suffered from a lack of

maintenance. Bicycle accidents have become commonplace.

<https://rinoartdistrict.org/post/38th-st-underpass>

Public restrooms & handwashing stations: Portable bathrooms and handwashing stations in close proximity to encampments

\$100,000

Source of funding: Public Works

According to Parks & Recreation Deputy Manager Scott Gilmore, several public restrooms will not be available to homeless people because the pipes will freeze during the winter months. We must be as concerned with freezing people as we are with freezing pipes, and therefore must provide public restrooms during winter months. Per Parks & Rec, the unit cost for porta-potties with handwashing stations is \$1,000 per month, including twice daily cleanings, 7 days a week. Per the Tiny Home Village, their porta-potty costs are \$425 per unit per month, with twice weekly cleanings.

Trash & needle receptacles: Trash and hypodermic needle receptacles in close proximity to encampments

\$50,000

Source of funding: Public Works

Denver's trash is privatized which means homeless people do not have public trash receptacles in which to dispose of their waste. For sanitation and aesthetic purposes, Denver should do better by providing public trash receptacles near encampments and places of congregation

Lockers: 24-hour accessible lockers for people experiencing homelessness

\$50,000

Source of funding: North Denver Cornerstone Collaborative

Many homeless people work or access services and need a place to store their belongings. Having 24-hour accessible lockers are needed for accessing resources without worrying about where to store belongings. The unit cost for lockers is \$100 per 1 ft by 1 ft by 4 ft locker.

Housing/rent support: Motel vouchers given during DPD sweeps for extended stay

\$1 million

Source of funding: Public Safety Administration

Homeless people are ordered to move along but with full, unsanitary or unsafe shelters they either forced to move to another block, or given one day motel vouchers. When people are stabilized they are more likely to access services and meet with case managers

Dayworks: Employment of homeless workers to clean and maintain encampments and surrounding areas

\$200,000

Source of funding: North Denver Cornerstone Collaborative

Homeless rights advocates have been coordinating street clean-up in exchange for meals and other assistance. By funding this self-efficacy model, the City would build trust and develop partnerships to work toward common goals including employment and trash abatement.

Solar panel subsidies: Provide \$500 subsidies to 500 low-income homeowners in pilot project \$250,000

Source of funding: DEDO Administration

By utilizing the management capacity of the new Office of Climate Action, Sustainability and Resiliency and investing \$0 in city-owned infrastructure, The City of Denver would enter into direct partnerships with the city's homeowners, a commercial solar integrator and Xcel Energy. Under this P4 (Public, Private, Provider Partnership), the City will "piggy-back" onto the systems leased by homeowners from large-scale residential solar integrators. According to The SunRoof Project, there are currently 129,000 solar-viable roofs in the City and County of Denver. Each of these viable locations represents a suitable solar generation site that does not require the additional costs of land acquisition. 25% of all viable roofs will be included in initial phase.

CPD Equity position & committee: Culturally competent expert in Community Planning & Development \$80,000

Source of funding: North Denver Cornerstone Collaborative

Equity manager would review and inform all CPD plans through an equity best practices approach and convene an Equity Committee to analyze planning efforts in economically and racially disadvantaged communities.

Increase BIOfund for I-70-impacted small businesses: The Business Impact Opportunity Fund directly benefits small businesses impacted by construction traffic losses, but is underfunded \$100,000

Source of funding: North Denver Cornerstone Collaborative

Currently total fund is \$100K: \$5k to each business (14 business closest proximity; Globeville and NE Park Hill – 25-30 businesses). Many businesses along the north side of I-70 that were displaced got mitigation. The south side of I-70 initially received nothing. Many of these businesses were immigrant-owned, and they can't get tax abatement because they are not landowners.

Expand Treatment Beds for DSD inmates: Renovate a full-service treatment facility within Denver jail system or expand into old jail facility (Pre-Arrest Detention Facility - PADF) \$5 million

Source of funding: Public Safety Capital Funding

High-acuity inmates with chronic conditions require a therapeutic, trauma-informed environment where they can be stabilized in a safe environment.

Social workers for street outreach: Provide homeless service providers with staff that are City-funded, but embedded in nonprofits with effective street outreach programs
\$1 million

Source of funding: Public Safety Administration

Rather than an expansion by nearly 30% in the Public Safety budget, funds should be reallocated to direct services rather than executive salaries. By preventing homelessness, a cost savings in the justice system will be realized at the front end, rather than the back-end of criminalization, which is ultimately more expensive.