

RESOLUTION NO. 2022-069

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE ACCEPTANCE OF RE-ALLOCATED FUNDS FROM THE UNITED STATES DEPARTMENT OF TREASURY USING FUNDING FROM THE CONSOLIDATED APPROPRIATIONS ACT, 2021 AND/OR THE AMERICAN RESCUE PLAN ACT OF 2021 AND APPROPRIATING FUNDS FOR AN EMERGENCY RENTAL ASSISTANCE PROGRAM

WHEREAS, on December 27, 2020, the Consolidated Appropriations Act, 2021 (Pub.L. No. 116-260) (the “Act”) was signed into law. Section 501 of Division N of the Act established the federal Emergency Rental Assistance Program (“ERA1”), and authorized the direct allocation of emergency rental assistance funds to states, units of local government, tribal communities, and territories. The ERA1 funds are intended to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic; and

WHEREAS, on March 11, 2021, the American Rescue Plan Act of 2021 (Pub.L. No. 117-2) (“ARPA”) was signed into law. Section 3201 of Subtitle B of Title III of ARPA established the federal Emergency Rental Assistance Program (“ERA2”), and authorized the direct allocation of funds to states, the District of Columbia, units of local government, territories, and high-need grantees. The ERA2 funds are intended to assist low-income households that have experienced financial hardship during or due to the COVID-19 pandemic, are unable to pay for rent and utilities, and are at risk of experiencing homelessness or housing instability; and

WHEREAS, the ERA1 and ERA2 assists low-income households that are unable to pay rent and utilities due to the COVID-19 pandemic; and

WHEREAS, the City of Chula Vista submitted an application to U.S. Department of Treasury “Treasury” and for ERA1 and ERA2 and supplemental funding; and

WHEREAS, the Treasury allocations awarded to the City have been to date as follows as shown in Table I:

Table I

Funding Source	ERA1 and ERA2 Federal Awards
CRF-0006 Federal (ERA1)	\$8,161,123.80
CRF-0008 Federal (ERA2)	\$9,662,343.90

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WHEREAS, the Treasury awarded re-allocated funds to the City as follows as show in Table II below:

Table II

Funding Source	ERA1 and ERA2 Federal Awards
CRF-0006 Federal (ERA1) Supplemental Funding	\$409,925.36
CRF-0006 Federal (ERA1) Supplemental Funding	\$1,045,985.28

WHEREAS, California Assembly Bill No. 832 (Chapter 27, Statutes of 2021) (“**AB 832**”) provides the legal basis for the State of California’s administration of its share of ERA1 and ERA2 funds (the “**State Rental Assistance Program,**” “**SRA,**” or “**SRA Funds**”). AB 832 amended Sections 50897, 50897.1, 50897.2, 50897.3, and 50897.4 of, and added Sections 50897.2.1 and 50897.3.1 to, the Health and Safety Code. Health and Safety Code section 50897.1, subdivision (a)(1) authorizes the Department of Housing and Community Development (the “**Department**”) to administer the SRA Funds in accordance with state and federal law; and

WHEREAS, the Department allocations awarded to the City have been as follows:

Table III

Funding Source	ERA1 and ERA2 Awards
CRF-0007 State (ERA1)	\$9,662,343.90
CRF-0010 State (ERA2)	\$7,600,103.26
CRF-0010 State (ERA2)- Supplemental Funding	\$2,000,000.00

WHEREAS, the City of Chula Vista (“**Entity**”) is participating in the SRA under “Option B,” as that term is defined in subdivision (i) of Section 50897 of the Health and Safety Code; or is a federally recognized tribal government, consistent with the state’s implementation of Chapter 17 (commencing with Section 50897) of Division 31 of Part 2 of the Health and Safety Code; and

WHEREAS, Entity applied to the U.S. Department of the Treasury (“**Treasury**”) for a reallocation of ERA1 funds (the “**ERA1 Reallocation**”) by submitting one or more appropriate requests for reallocated funds to Treasury’s portal (“**Reallocation Request**”); and

WHEREAS, Entity will apply to the Treasury for a reallocation of ERA2 funds (the “**ERA2 Reallocation**”) once those reallocation moneys become available. The ERA1 Reallocation and the ERA2 Reallocation are also referred to herein, individually and collectively, as the “**ERA Reallocation(s)**” and

WHEREAS, Entity desires to request and accept a temporary cashflow loan of funds from the Department, as authorized by California Senate Bill No. 115 (this amount, the “**SRA Loan Award**”), while it awaits the additional federal funding described above (ERA Reallocations); and

WHEREAS, Entity plans to administer any ERA Reallocation in accordance with the applicable federal law (the Act and/or ARPA); the applicable Treasury interpretive guidance; and all such requirements as may be subsequently amended and applicable; and

WHEREAS, Entity acknowledges that every SRA Loan Award is subject to and shall be administered in accordance with the state’s requirements for Round 2 of the State Rental Assistance Program, including, without limitation, the applicable requirements of AB 832; SB 115; the Department’s State Rental Assistance Program Guidelines, dated September 27, 2021; and all such requirements as may be subsequently amended (collectively, the “**SRA Loan Award Requirements**”); and

WHEREAS, Entity further acknowledges that every SRA Loan Award is subject to the terms and conditions of a Department-approved STD 213, Standard Agreement (“**Standard Agreement**”), all other documents required or deemed necessary or appropriate UNDER STATE OR FEDERAL LAW to disburse, evidence, and secure the SRA Loan Award, and all amendments thereto (collectively, the “**SRA Loan Award Documents**”); and

WHEREAS, Entity shall accept an ERA Reallocation from the Treasury and these funds will be used to repay the SRA Loan Award per the terms and conditions of the SRA Loan Award Documents; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it (1) authorizes the acceptance of the ERA1 and ERA2 Treasury and the Department U.S. Department of Treasury allocations and revised and restated above based on actual funding agreements; (2) acknowledges and ratifies the submission of the terms and use of funds by the City Manager; and (3) authorizes the revised appropriation of such funds in the City’s Housing Authority Fund in Fiscal Year 2021/2022 with expenditures made in accordance with the funding requirements, subject to modifications that may be necessary or appropriate to assure expenditure of all available funds in a qualified and timely manner.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista (City referred to as “Entity”) that:

1. Entity is hereby authorized and directed to request and accept re-allocated funds from the Treasury in amount not to exceed \$14,117,440.62. Such amount matches and includes the Reallocation Request submitted in January 2022 and any future Reallocation Requests needed to repay the Departments Loan Award.
2. Entity is hereby authorized and directed to assume responsibility for ensuring that the Departments SRA Loan Award is repaid using available Treasury funding.

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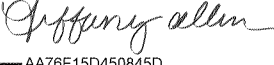
3. Maria Kachadoorian, City Manager, or her designee is authorized to execute the Treasury Acceptance of Award Terms, and any and all documents requested by the Treasury including Reallocation Requests.

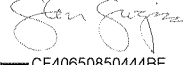
NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista that it further authorizes the appropriation of such funds in the City's Housing Authority Fund in Fiscal Year 2021/2022 with expenditures made in accordance with terms and conditions described above including Table II.

[SIGNATURES ON THE FOLLOWING PAGE]

Presented by

Approved as to form by

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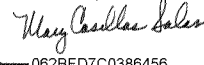
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Tiffany Allen
Director of Development Services

Glen R. Googins
City Attorney


PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 22nd day of March 2022 by the following vote:

AYES:	Councilmembers:	Cardenas, Galvez, Padilla, and Casillas Salas
NAYS:	Councilmembers:	None
ABSENT:	Councilmembers:	None
ABSTAIN	Councilmembers:	McCann

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Mary Casillas Salas, Mayor

ATTEST:


DocuSigned by:

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Kerry K. Bigelow, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Kerry K. Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2022-069 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 22nd day of March 2022.

Executed this 22nd day of March 2022.

DocuSigned by:

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Kerry K. Bigelow, MMC, City Clerk