

RESOLUTION NO. 2022-070

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA (1) AUTHORIZING PARTICIPATION IN THE STATE OF CALIFORNIA'S EMERGENCY RENTAL ASSISTANCE PROGRAM-ROUND 3 LOAN AWARD ("SRA-3"), (2) AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE, AND DELIVER THE SRA LOAN AWARD DOCUMENTS, WHICH SHALL INCLUDE A STANDARD AGREEMENT WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE IMPLEMENTATION OF SAID PROGRAM PURSUANT SENATE BILL 115 USING FUNDING FROM THE CONSOLIDATED APPROPRIATIONS ACT, 2021 AND OR THE AMERICAN RESCUE PLAN ACT OF 2021, (3) AND APPROPRIATING FUNDS THEREFOR

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, 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, California Senate Bill No. 115 (Chapter 2, Statutes of 2022) ("**SB 115**") authorized eligible local jurisdictions and federally recognized tribal governments to request cashflow loans from the Department for Emergency Rental Assistance Program expenditures. Such expenditures must be for complete, eligible applications by households that were received on or before March 31, 2022, including administrative costs that are consistent with the provisions of Chapter 17 (commencing with Section 50897) of Division 31 of Part 2 of the Health and Safety Code, as applicable; and

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WHEREAS, in enacting SB 115, the Legislature’s intent was to provide local programs with immediate cash, in the form of temporary cashflow loans, to maximize rental relief to all eligible households as the local programs await additional federal funding from either ERA1 or ERA2. If the anticipated federal funding is not received by June 30, 2023, and if such funds cannot be utilized for reimbursements, the Department of Finance will forgive an amount up to the amount not covered by the federal allocation; and

WHEREAS, as authorized by SB 115, the Department will make such cashflow loans available pursuant to terms and conditions developed by the Department. Such terms and conditions may include, but are not limited to, reporting; a repayment schedule; interest charged at the rate earned by moneys in the Pooled Money Investment Account; and remittance mechanisms that include the withholding of future state and federal funding administered by the Department; and

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**”) by January 21, 2022. 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 SB 115 (this amount, the “**SRA Loan Award**”), while it awaits the additional federal funding described above; 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**”).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista (Locality) (Entity) that:

1. Entity is hereby authorized and directed to request and accept an SRA Loan Award totaling \$14,117,440.62. Such amount matches the Reallocation Request submitted in November 2021 or in January 2022 and does not exceed the amount set forth in the Entity's last-in-time Reallocation Request submitted to Treasury.

2. Entity is hereby authorized and directed to enter into, execute, and deliver the SRA Loan Award Documents, in the form presented, with such modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the Office of the City Clerk and which shall include a Standard Agreement in a total amount not to exceed \$14,117,440.62.

3. Entity is hereby authorized and directed to assume responsibility for administering the SRA Loan Award in accordance with all SRA Loan Award Requirements.

4. Maria Kachadoorian, City Manager, or her designee is authorized to execute the SRA Loan Award Documents on behalf of Entity for participation in the State Rental Assistance Program-Round 3.

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 and the State of California's Rental Assistance Program Round 3 Loan Award requirements.

[SIGNATURES ON THE FOLLOWING PAGE]

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Presented by

Approved as to form by

DocuSigned by:  
*Tiffany Allen*  
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DocuSigned by:  
*Glen R. Googins*  
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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

DocuSigned by:  
*Mary Casillas Salas*  
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Mary Casillas Salas, Mayor

ATTEST:

DocuSigned by:  
*Kerry K. Bigelow*  
3074D104EAF342E...

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. 2022-070 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:  
*Kerry K. Bigelow*  
3074D104EAF342E...

Kerry K. Bigelow, MMC, City Clerk