

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA APPROVING AN AGREEMENT WITH THE
SAN DIEGO FOUNDATION FOR ADMINISTRATION OF THE
CHULA VISTA AMERICAN RESCUE PLAN ACT DIRECT
GRANTS FOR A SMALL BUSINESSES AND NON-PROFIT
RELIEF GRANT PROGRAM; AND APPROPRIATING FUNDS
THEREFOR

WHEREAS, health and governmental authorities around the globe are responding to a large-scale pandemic due to the outbreak of a respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019”, abbreviated “COVID-19”; and

WHEREAS, states and local governments across the United States, including the State of California, issued stay-at-home orders to prevent the spread of the highly contagious and deadly COVID-19, resulting in massive and largely unprecedented disruptions in the economy, including record levels of unemployment and loss of compensable work hours or wages by numerous Chula Vista residents, and sharply limiting the ability of businesses to provide, and customers to purchase, goods and services; and

WHEREAS, the City has determined it is in the public interest to provide economic support that addresses the continued and serious negative impacts of the COVID-19 emergency on the local economy, including promotion of a stable business market and support for nonprofit entities and their employees once the COVID-19 emergency is abated; and

WHEREAS, the City recognizes that Chula Vista County Data on positive COVID-19 cases, unemployment statistics, and other economic-based metrics demonstrate that there are economically disadvantaged and struggling small businesses and charitable nonprofits that have been disproportionately impacted by the pandemic; and

WHEREAS, the City has determined it is in the public interest to identify small businesses, charitable entities and nonprofit organizations which are most vulnerable to the impacts of COVID-19, including nonprofits who have lost donor support (collectively, “at-risk nonprofits”), to provide at-risk nonprofits with economic support to address the continued and serious negative impacts of the COVID-19 emergency on the local economy, and to promote a stable charitable environment benefitting the community to which community members and their employees can return once the COVID-19 emergency is abated; and

WHEREAS, the U.S. Congress provided for various forms of relief for the COVID-19 pandemic through enacting the American Rescue Plan Act of 2021, Public Law No: 117-2 (03/11/2021) (“ARPA”), including an allocation of Coronavirus State and Local Fiscal Recovery Funds to Metropolitan Cities (“ARPA Funds”); and

WHEREAS, the City has received an allocation from the ARPA Funds; and

WHEREAS, ARPA requires that the City only use the ARPA Funds to cover costs incurred by the City by December 31, 2024 and for uses that include responding to the public health emergency with respect to the COVID–19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; and

WHEREAS, the City has determined that expenditures in support of providing financial assistance to small businesses and nonprofits are vital to address the public health emergency with respect to COVID-19 and that such expenditures are eligible expenses under the ARPA; and

WHEREAS, The San Diego Foundation (“Program Administrator”) is a Section 501(c)(3) tax-exempt public charity that is organized and operated under the mission to inspire enduring philanthropy and enable community solutions to improve the quality of life in our region and a vision for just, equitable, and resilient communities under strategic priorities that include advancing racial and social justice and fostering equity of opportunity; and

WHEREAS, on August 24, 2021, the Chula Vista City Council adopted a Resolution allocating \$2,600,000 of ARPA Funds to provide support and resources in the form of direct grants to small businesses and nonprofits through an agreement with Program Administrator (\$2.1M to small businesses and \$500,000 to nonprofits); and

WHEREAS, the Program Administrator has agreed to contribute a separate \$1,000,000 to be included in the program for nonprofit awards using the same methodology and criteria for awards but requiring separate accounting; and

WHEREAS, the City wishes, and finds it to be in the public’s best interest, to utilize the special services of The San Diego Foundation to manage the disbursement of the ARPA Funds consistent with the purposes and requirements thereof; and

WHEREAS, Program Administrator has an existing administrative framework; specialized financial and accounting experience; and, demonstrated ability to expeditiously provide the City with the specialized services the City does not possess, and has issued grants on behalf of many entities, people, and organizations since their respective inceptions.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista that it

1. Approves to the City of Chula Vista American Rescue Plan Act of 2021 Direct Grants for Small Businesses and Nonprofits Relief Fund Agreement with The San Diego Foundation, in the form presented, with such minor 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 authorizes and directs the City Manager to execute same.
2. Appropriates \$180,000 for program administration from ARPA funds available in the revenue recovery category and \$70,000 for third party costs funded by excess Property Tax Revenues into the Economic Development Department

Administration Fund as identified by the table below.

General Fund Budget Adjustments

| DEPARTMENT | SUPPLIES & SERVICES | TOTAL EXPENSE | TOTAL REVENUE | NET COST |
|---------------------------|------------------------|-------------------|---------------------|-------------|
| GENERAL FUND | | | | |
| Non-Departmental | - | - | (70,000) | (70,000) |
| Economic Development | 250,000 | 250,000 | (180,000) | 70,000 |
| TOTAL GENERAL FUND | \$ 250,000 | \$ 250,000 | \$ (250,000) | \$ - |

Other Funds Adjustments

| DEPARTMENT | TRANSFERS OUT | TOTAL EXPENSE | TOTAL REVENUE | NET COST |
|-------------------------------|-------------------|-------------------|---------------------|-------------|
| OTHER FUNDS | | | | |
| American Rescue Plan Act 2021 | 180,000 | 180,000 | (180,000) | - |
| TOTAL OTHER FUNDS | \$ 180,000 | \$ 180,000 | \$ (180,000) | \$ - |

Presented by

Approved as to form by

Eric Crockett
Deputy City Manager

Glen R. Googins
City Attorney