



CITY COUNCIL AGENDA STATEMENT



June 23, 2020

File ID: 20-0245

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE ACCEPTANCE OF A CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT CORONAVIRUS RELIEF FUND (CRF) ALLOCATION OF \$4,842,695 FROM THE COUNTY OF SAN DIEGO AND APPROPRIATING FUNDS IN THE GENERAL FUND IN FISCAL YEAR 2019/20 AND FISCAL YEAR 2020/21 (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

On May 19, 2020, the County of San Diego Board of Supervisors voted to allocate a portion of CARES Act CRF funds to 17 cities that did not receive a direct allocation from the federal government. The City of Chula Vista's allocation totals \$4,842,695 and must comply with CARES Act CRF grant requirements, which mandate that all expenditures are directly related to the public health emergency caused by COVID-19. Eligible categories of expenditures include Law Enforcement for COVID-19, Economic Development Initiatives, Telework Enhancement/Infrastructure, Sanitation Compliance, and/or Facility Enhancements for Social Distancing.

ENVIRONMENTAL REVIEW

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not Applicable

DISCUSSION

Prior to acceptance of these funds, the city must submit a plan that illustrates how we intend to spend the allocated funds. There is no grant matching requirements and funds must be expended by September 30, 2020. Funds may only be used for costs that were not accounted for in the budget most recently approved as of March 27, 2020 and were incurred between March 1, 2020 and September 30, 2020. The County has stated that all CARES Act CRF funds received by the City must be returned to the County of San Diego in the event that the City receives any future federal stimulus funds.

All expenditures are intended to be consistent with the CARES ACT and the City of Chula Vista recognizes the direction provided by the County of San Diego to include:

1. Prior to distribution, the City of Chula Vista must submit a plan that illustrates how the City will spend the allocation before the funds are released. The City must also submit a mid-term plan no later than July 31, 2020 providing a status of expenses.
2. After the City has received the funds, the City must submit documentation to support all expenditures. All funds must be expended or returned to the County and all documents must be submitted prior to September 30, 2020.
3. The City will be financially responsible for any disallowed costs. If the City receives future federal stimulus funds (non-CARES Act funding), all fund allocated to the City by the County shall be returned.

Attachment A includes a proposed grant fund allocation plan for the expenditures of CARES Act CRF funds.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The Finance Department will establish the grant revenue and expenditure accounts upon receipt of funds from the County of San Diego. Based on the allocation plan attached to this item, we are anticipating a reimbursement to the General Fund of \$1.2 million in the current fiscal year. This will assist in offsetting some of the anticipated impacts due to the COVID-19 crisis.

ONGOING FISCAL IMPACT

There is approximately \$3.6 million in anticipated allocations for fiscal year 2021. There is no ongoing fiscal impact related to this allocation as no matching funds are require.

ATTACHMENTS

- A - CARES Act CRF Grant Letter from the County of San Diego
- B - County of San Diego Coronavirus Relief Fund Subgrant
- C - City of Chula Vista CARES Allocation Plan

Staff Contact: David Bilby, Director of Finance