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July 13, 2020

The Honorable Lourdes A. Leon Guerrero  
*I Maga'Hågan Guåhan* | Governor of Guam  
Ricardo J. Bordallo Governor's Complex  
Hagåtña, Guam 96910

Dear Governor Leon Guerrero:

Whilst our island is working to recover from the economic hardships resulting from COVID-19 that have greatly impacted the people of Guam, I write urging your administration to consider utilizing federal pandemic relief funding appropriated by Congress in the CARES Act for direct rent assistance to our local families.

Federally we have rental and mortgage assistance in the pipeline comprehensively with the HEROES Act and separately as a standalone measure in H.R. 7301, both of which await action in the Senate after passing the House. We continue to press for this federally, but encourage local action using CARES Act funds as these are readily available.

Other jurisdictions are demonstrating proven efforts utilizing CARES Act funds to provide immediate relief to its residents through rental assistance programs, particularly those who are at high risk of homelessness due to changes in employment circumstances directly related to COVID-19.

One such framework would allow the Guam Housing and Urban Renewal Authority to accept local applications for grants for rental or mortgage assistance. Grants could be restricted to those residents who can provide evidence of COVID-related hardship in paying at least one-month of rent or mortgage payments. Grant checks would be sent directly to grantee landlords to guarantee funds are appropriately used for its intended purpose.

As an example of local governments able to extend such renter relief, I have attached the plans the City of Irvine voted to implement. As an illustrative model of the ability for localities to utilize CARES Act funds for residential rental assistance, I hope that this will inspire our local government to immediately consider plans to do so with eviction moratoriums, federal pandemic unemployment boosters, and many forbearance agreements expiring within the next 30/60/90 days.

We must not wait for a greater Guam housing crisis to bloom from COVID-19.

Respectfully,



Michael F.Q. San Nicolas

Member of Congress

Guam

CC: The Honorable Joe S. San Agustin, Chairman, Committee on General Government  
Operations, Appropriations, and Housing, 35<sup>th</sup> Guam Legislature  
Attached: City of Irvine, CA CARES Rental Assistance Program



## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:** JUNE 23, 2020

**TITLE:** UPDATE ON CITY'S RENTAL ASSISTANCE PROGRAMS

Handwritten signature of Steve Heltz in blue ink.

Director of Community Development

Handwritten signature of the City Manager in black ink.

City Manager

### RECOMMENDED ACTION

1. Authorize the City Manager to advance \$2 million from the General Fund for a two-tier rental assistance program as authorized on June 9, 2020: 1) with \$1 million available for up to \$1,000 per eligible household for rental payment assistance; and 2) \$1 million designated for up to \$1,000 per eligible household for lease cancellation penalties; with all City funds to be reimbursed by future CARES Act funding distributed by the State of California.
2. Authorize the City Manager to advance up to \$826,138 from the General Fund for emergency rental assistance programs administered by Families Forward and South County Outreach to be reimbursed by future ESG-CV and CDBG-CV funding distributed by the U.S. Department of Housing and Urban Development.

### EXECUTIVE SUMMARY

At its June 9 meeting, the City Council authorized a \$2 million rental assistance program to assist Irvine renters impacted by the COVID-19 pandemic with Coronavirus Aid, Relief, and Economic Security (CARES) Act funds made available through a variety of potential sources, including funds distributed by the County of Orange, the State of California, and the federal government (Department of Housing and Urban Development. Or "HUD"). Due to restrictions associated with funds received through the County and HUD, staff is recommending a City-administered program using CARES Act funding to be distributed through the State of California. As of the writing of this report, state CARES Act funding has not yet been approved and an update on the status of these funds will be provided at the City Council meeting on June 23. With City Council authorization to temporarily advance City funds, staff believes that a program can be made available to the Irvine community within days. All advanced funds will then be reimbursed from State CARES Act program when the City's allocation is approved.

### COMMISSION/ADVISORY BOARD RECOMMENDATION

None.

## **ANALYSIS**

### Proposed Rental Assistance Program

Per City Council direction to assist Irvine renters directly impacted by the COVID-19 pandemic, staff has developed a rental assistance program with the following parameters:

- A maximum one-time \$1,000 grant to provide 1,000 renters / households with assistance to pay lease termination fees. Total cost: \$1 million.
- A maximum one-time \$1,000 grant to provide 1,000 renters / households with rental payment assistance. Total cost: \$1 million.

At the June 9 meeting, staff identified three potential funding sources: CARES Act funding through the County of Orange; Emergency Solutions Act grant funding through the United States Department of Housing and Urban Development (HUD); and, CARES Act funding through the State of California. Following the meeting, staff received additional information and learned of significant restrictions associated with the County of Orange and HUD-funded grant programs that would not allow funds to be awarded for circumstances specifically outlined by the City Council. These include limitations to reimbursement of City expenses only, and restrictions that would not allow funds to be used for lease termination fees, nor to assist students. Due to the flexibility of the approximately \$2.6 million in funding to be distributed through CARES Act by the State of California, staff is recommending utilizing this funding to provide for both the lease termination and rental assistance components of a renter assistance program.

Staff has reached out to several nonprofits in an attempt to find a program operator. Unfortunately, either these organizations are already at capacity assisting other public agencies, or charge significant administration costs. Consequently, the City's new rental assistance program will be administered by a cross-departmental team drawing on the experience gained through the recent Small Business Support Grant Program. Every effort will be made to streamline the application process and to distribute funds as quickly as possible. The program will provide one week for receipt of applications and supporting documentation, after which time a lottery system will be used to select grant recipients. The lottery method provides more equitable access for lower-income individuals that may not have easy access to the internet. Once eligibility is confirmed, grant checks will be transmitted directly to the grantee's landlord. Grants will be limited to one per rental agreement and will be available to 2,000 renters / households across the City that can demonstrate a sufficient COVID-19-related financial hardship, including students in non-university housing that demonstrate financial independence.

### Letter to UC Regents

A letter has been submitted to the Regents of the University of California making them aware of the financial concerns expressed to the City by their students at University of California, Irvine (UCI). Information is provided about the program that the City has

developed in response to the needs of students and other residents of the community. The correspondence is included as Attachment 1.

### Update on Previously Approved Rental Assistance Programs

City Council also requested an update on the status of the COVID-19-related Emergency Solutions Grant (ESG-CV) and Community Development Block Grant (CDBG-CV) funds.

1. At its April 28 meeting, the City Council approved \$558,059 in ESG-CV funds for emergency short-term rental assistance to be distributed through the City's nonprofit partners Families Forward and South County Outreach. Pursuant to HUD regulations, residents assisted under this program must be at eminent risk of homelessness, and they will receive up to three months assistance with rent and utility bills depending on their level of need to ensure housing stability.
2. The City Council also approved \$1.2 million in CDBG-CV funds for Meals on Wheels meal deliveries (\$282,581), Second Harvest Food Bank emergency food program (\$96,380), City expenses directly related to the emergency (\$301,219), and \$323,884 was allocated to Families Forward and South County Outreach to supplement their ESG-CV rental assistance programs to assist more residents in need.

Due to delays at HUD in executing the necessary contracts for these programs, the funds have not yet been made available to the nonprofit organizations. Because these delays may last well into August, staff is seeking direction from the City Council to immediately execute agreements with our nonprofit partners and advance City General Fund money to begin these rental assistance programs right away. If so directed, staff believes these programs can be operational within days. All City funds advanced for this purpose would then be reimbursed once the HUD grants are finalized.

### **ALTERNATIVES**

The City Council could modify the rental assistance program to include additional restrictions and related financial commitment, such as adjusting the \$1,000 maximum per individual/household or the overall \$2 million program cost, as described in this report.

### **FINANCIAL IMPACT**

The City will utilize \$2.6 million State of California CARES Act funding. City staff will administer the program at a cost that is within the approved Budgets for Fiscal Year 2019/20 and 2020/21.

**REPORT PREPARED BY:** Charles G. Kovac, Housing Administrator

### **ATTACHMENT:**

1. Letter to University of California Board of Regents



Christina L. Shea, Mayor

City of Irvine, One Civic Center Plaza, P.O. Box 19575, Irvine, California 92623-9575

[cityofirvine.org](http://cityofirvine.org)

949-724-6233

June 11, 2020

John A. Perez, Chair  
University of California Board of Regents  
Office of the Secretary and Chief of Staff to the Regents  
1111 Franklin St., 12th Floor  
Oakland, CA 94607

Dear Chair Perez:

On behalf of the Irvine City Council, I am pleased to announce the City of Irvine has instituted rental assistance and lease break assistance programs for Irvine residents, including students attending University of California, Irvine (UCI). The City will provide a \$1,000 one-time grant, per qualified resident, from \$2 million dedicated CARES Act funding. Grant funds will assist eligible residents with either lease cancellation penalties or rental payments.

The Irvine City Council has also adopted resolutions stating our expectation that all residential and commercial landlords and utility providers abide by the provisions of the Governor's Executive Order and refrain from evictions, foreclosures, rent increases, or service and utility disconnections during the COVID-19 emergency.

Constituents from the UCI community, and other parts of the City, brought to our attention the heavy burden housing lease contracts are placing on a large segment of our residents - especially our university students. Mindful of this request, our City Council met to discuss meaningful legislative and financial efforts to assist our residents.

The City of Irvine recognizes the UC Regents commitment from the outset of the COVID-19 pandemic to ensure its students receive campus services that maintain student well-being and safety. We were also pleased to learn of the comprehensive list of resources available to further support UCI students during this pandemic. The entire Irvine City Council and community appreciate the ongoing partnership with UCI under the esteemed leadership of the UC Regents. Partnerships like this are critical during these unprecedented times as we all work through the tremendous disruption caused by COVID-19.

**ATTACHMENT 1**

As always, please feel free to contact me or Deputy City Manager Michelle Grettenberg at 949-724-6252 or [mgrettenberg@cityofirvine.org](mailto:mgrettenberg@cityofirvine.org) if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Christina L. Shea". The signature is written in a cursive, flowing style.

Christina L. Shea  
Mayor

cc: Irvine City Council  
Howard Gillman, Chancellor, UCI  
Alberto Sandoval, Senior Director – Community & Government Relations, UCI