

I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
348-36 (LS) As amended by the Committee on General Government Operations, Appropriations, and Housing; and further amended on the Floor.	Telo T. Taitague Frank Blas Jr. Clynton E. Ridgell V. Anthony Ada Sabina Flores Perez Joanne Brown Joe S. San Agustin	AN ACT TO ADD A NEW § 58128.7 TO ARTICLE 1 OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO MITIGATING THE HOUSING AFFORDABILITY CRISIS BY AUTHORIZING TAX INCENTIVES FOR ELIGIBLE BUSINESS ENTITIES THAT CONSTRUCT A MINIMUM NUMBER OF AFFORDABLE HOUSING UNITS; TO CREATING THE AFFORDABLE HOUSING ASSISTANCE FUND; AND TO REQUIRING THE DEPOSIT OF AFFORDABLE HOUSING BUSINESS PRIVILEGE TAX PAYMENTS INTO THE AFFORDABLE HOUSING ASSISTANCE FUND.	10/24/22 11:11 a.m.	11/1/22	Committee on General Government Operations, Appropriations, and Housing	11/30/22 9:00 a.m.	12/13/22 8:39 a.m.	Request: 11/1/22 11/10/22	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	NOTES			
	12/2/22	AN ACT TO ADD A NEW § 58128.7 TO ARTICLE 1 OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO MITIGATING THE HOUSING AFFORDABILITY CRISIS BY AUTHORIZING TAX INCENTIVES FOR ELIGIBLE BUSINESS ENTITIES THAT CONSTRUCT A MINIMUM NUMBER OF AFFORDABLE HOUSING UNITS; TO CREATING THE AFFORDABLE HOUSING ASSISTANCE FUND; AND TO REQUIRING THE DEPOSIT OF AFFORDABLE HOUSING BUSINESS PRIVILEGE TAX PAYMENTS INTO THE AFFORDABLE HOUSING ASSISTANCE FUND.	12/16/22	12/16/22	12/28/22				



COPY

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
Thirty-Sixth Guam Legislature

December 16, 2022

The Honorable Lourdes A. Leon Guerrero
I Maga'hågan Guåhan
Ufisinan I Maga'håga
Hagåtña, Guam 96910

Dear *Maga'håga* Leon Guerrero:

Transmitted herewith are **Bill Nos. 291-36 (LS), 298-36 (LS), 299-36 (LS), 306-36 (COR), 312-36 (COR), 313-36 (COR), 314-36 (COR), 327-36 (COR), 332-36 (LS), 334-36 (COR), 346-36 (LS), 348-36 (LS), 351-36 (COR), 354-36 (COR), 355-36 (COR), 356-36 (COR), 357-36 (COR), 358-36 (COR), 360-36 (COR);** and **Substitute Bill No. 361-36 (COR)** which were passed by *I Mina'trentai Sais Na Liheslaturan Guåhan* on December 16, 2022.

Sincerely,

AMANDA L. SHELTON
Legislative Secretary

Enclosure (20)

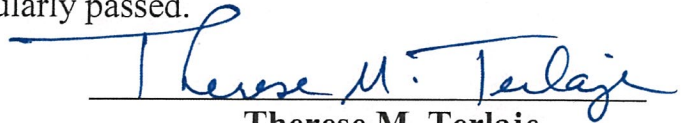
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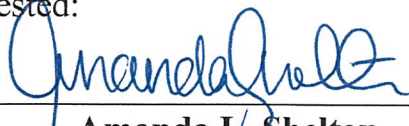
I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

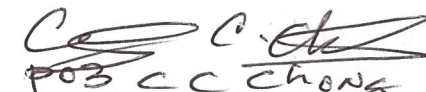
This is to certify that **Bill No. 348-36 (LS)**, “AN ACT TO *ADD A NEW § 58128.7 TO ARTICLE 1 OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO MITIGATING THE HOUSING AFFORDABILITY CRISIS BY AUTHORIZING TAX INCENTIVES FOR ELIGIBLE BUSINESS ENTITIES THAT CONSTRUCT A MINIMUM NUMBER OF AFFORDABLE HOUSING UNITS; TO CREATING THE *AFFORDABLE HOUSING ASSISTANCE FUND*; AND TO REQUIRING THE DEPOSIT OF AFFORDABLE HOUSING BUSINESS PRIVILEGE TAX PAYMENTS INTO THE *AFFORDABLE HOUSING ASSISTANCE FUND*,*” was on the 16th day of December 2022, duly and regularly passed.


Therese M. Terlaje
Speaker

Attested:


Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 16TH day of Dec,
2022, at 10:06 o'clock P.M.


PO3 CC Chong 562
Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÁHAN
2022 (SECOND) Regular Session

Bill No. 348-36 (LS)

As amended by the Committee on General Government Operations,
Appropriations, and Housing; and further amended on the Floor.

Introduced by:

Telo T. Taitague
Frank Blas, Jr.
Clynton E. Ridgell
V. Anthony Ada
Sabina Flores Perez
Joanne Brown
Joe S. San Agustin
Christopher M. Dueñas
James C. Moylan
Tina Rose Muña Barnes
Telena Cruz Nelson
Amanda L. Shelton
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *ADD* A NEW § 58128.7 TO ARTICLE 1 OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO MITIGATING THE HOUSING AFFORDABILITY CRISIS BY AUTHORIZING TAX INCENTIVES FOR ELIGIBLE BUSINESS ENTITIES THAT CONSTRUCT A MINIMUM NUMBER OF AFFORDABLE HOUSING UNITS; TO CREATING THE *AFFORDABLE HOUSING ASSISTANCE FUND*; AND TO REQUIRING THE DEPOSIT OF AFFORDABLE HOUSING BUSINESS PRIVILEGE TAX PAYMENTS INTO THE *AFFORDABLE HOUSING ASSISTANCE FUND*.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the price for a single-family home continues to increase and is becoming out of
4 reach to many families who are already struggling with higher food, fuel, healthcare,
5 and energy costs.

6 According to an article published by a local media company on October 3,
7 2022, Guam’s new median price for a single-family dwelling reached Four Hundred
8 Twenty-six Thousand Dollars (\$426,000) – a substantial increase from the median
9 price of Two Hundred Ninety-nine Thousand Dollars (\$299,000) in pre-pandemic
10 2019, and Three Hundred Thirty-five Thousand Five Hundred Dollars (\$335,500) in
11 2020; and the 2022 figure represents a twelve percent (12%) increase from Three
12 Hundred Eighty Thousand Dollars (\$380,000) in 2021.

13 Based on data that the Guam Housing and Urban Renewal Authority
14 (GHURA) provided to the Guam Legislature in October 2021, there were twelve
15 thousand seven hundred (12,700) individuals and their families living in various
16 GHURA public housing; and there were also two thousand eight hundred seventy-
17 five (2,875) individuals and families, including four hundred eight (408) senior
18 citizens, registered on the agency’s wait list for Section 8 housing opportunities.

19 Additionally, the 2020 Guam Homeless Point-in-time Final Count was
20 released in April of 2021 and revealed there were six hundred eighty-two (682)
21 unsheltered homeless persons whose primary nighttime residence is a public or
22 private place not designed or ordinarily used as a regular sleeping accommodation
23 for human beings, including a car, park, abandoned building, bus, and other sites.

24 It is, therefore, the intent of *I Liheslatura* to help mitigate the local housing
25 affordability crisis by facilitating the much-needed development of affordable
26 housing units. Through this Act, eligible developers, including construction
27 companies that may have fewer resources and a limited number of skilled laborers,

1 may avail themselves of affordable housing tax benefits in exchange for constructing
2 no less than five (5) affordable housing units.

3 Business entities that engage in the development of not less than five (5) but
4 fewer than twenty-five (25) affordable housing units – a threshold authorized
5 previously by Public Law 23-135, shall have their business privilege tax (BPT)
6 payments deposited into the *Affordable Housing Assistance Fund*; and the Fund shall
7 operate as a revolving fund to support down payments and other closing costs
8 requirements for eligible first-time borrowers whose loan application received
9 approval from a financial institution licensed to operate on Guam.

10 *I Liheslatura* intends to utilize the authority granted through this Act to assist
11 families in securing safe and affordable homes in the face of unprecedented inflation
12 and arguably an economic recession. *I Liheslatura* recognizes that by directing
13 resources such as tax incentives toward affordable housing development,
14 particularly during these uncertain times, these initial and critical investments will
15 serve as an economic multiplier through the development and expansion of other
16 businesses, including, but not limited to, grocery and retail stores,
17 telecommunication providers, and restaurants. Between 2012 and 2022, \$6.3 Million
18 Dollars in first-time homeowner assistance program grants issued by the Guam
19 Housing Corporation to seven hundred eighty-four (784) families yielded
20 approximately \$153 Million Dollars in additional economic activity through services
21 associated with real estate, banking, escrow, appraisers, and title insurance business
22 transactions.

23 **Section 2.** A new § 58128.7 is *added* to Article 1 of Chapter 58, Title 12,
24 Guam Code Annotated, to read:

25 **“§ 58128.7. Development of Fewer than Twenty-five (25)**
26 **Affordable Housing Units.**

1 (a) A rebate of up to one hundred percent (100%) of all income tax
2 paid to the government of Guam by a Beneficiary on income received from
3 the construction of affordable housing in Guam may be issued for a period not
4 to exceed twenty (20) consecutive years from the effective date of a
5 Qualifying Certificate. The Beneficiary may be a developer, contractor, or
6 subcontractor, or a combination of two (2) or more thereof so long as all the
7 income the subject of the rebate is from, is derived from the construction of
8 not less than five (5) but fewer than twenty-five (25) affordable housing units.

9 Additionally, the Beneficiary is authorized to claim up to one hundred
10 percent (100%) in use tax exemptions with respect to constructing, furnishing,
11 and equipping each new affordable housing unit. The exemption shall be
12 claimed no later than one (1) year from the issuance of each affordable
13 housing unit's occupancy permit.

14 *Affordable* where used in this Section shall be up to one hundred thirty
15 percent (130%) and less of the median income average threshold as published
16 annually by the U.S. Department of Agriculture. The income threshold
17 established herein may be adjusted by the Guam Housing Corporation in
18 consultation with GEDA from time-to-time through an approved board
19 resolution consistent with recommendations from the Guam Housing and
20 Urban Renewal Authority and/or federal agencies, including, but not limited
21 to, the U.S. Department of Housing and Urban Development and the U.S.
22 Department of Agriculture.

23 (b) The Guam Economic Development Authority in consultation
24 with the Guam Housing Corporation shall have the sole authority to negotiate
25 the terms of the tax incentives authorized by this Section and other provisions
26 of Chapter 58, Title 12, Guam Code Annotated, which are applicable to the
27 development of affordable housing. The provisions of this Section shall be

1 treated independent of the affordable housing tax benefits previously
2 authorized by Public Law 23-135 for the development of no less than twenty-
3 five (25) affordable housing units. Negotiations shall be completed prior to
4 the issuance of the affordable housing unit's building permit.

5 (c) Notwithstanding any other provision of law, the Beneficiary's
6 business privilege tax (BPT) payments connected to the construction of
7 affordable housing units pursuant to this Section shall be deposited into the
8 *Affordable Housing Assistance Fund* as established herein. The BPT
9 payments authorized herein shall not affect the levy of three percentage points
10 (3%) out of the total percentage points levied from time to time, of the BPT
11 (the "Pledged Privilege Tax Revenues"), the revenues from which are pledged
12 to the government of Guam Business Privilege Tax Bonds (the "BPT Bonds");
13 provided, that payments made be made from the Pledged Privilege Bonds in
14 accordance with Section 5.02(E) of the Indenture, dated as of December 1,
15 2011, as amended from time to time, relating to the Bonds (the "BPT Bond
16 Indenture"), and in a manner otherwise consistent with the BPT Indenture.
17 The *Affordable Housing Assistance Fund* shall be used as a revolving funding
18 source to assist first-time borrowers with down payments and other closing
19 costs. Borrowers must supply the Guam Housing Corporation with written
20 documentation evidencing loan approval by a financial institution licensed to
21 operate on Guam. Each qualified borrower shall be eligible to receive no more
22 than an amount equal to the total BPT value paid by the beneficiary for the
23 construction of affordable housing units.

24 The Guam Housing Corporation in consultation with GEDA shall
25 develop an application process and the appropriate rules and guidelines
26 necessary to facilitate BPT deposits and financial assistance for down
27 payment and other closing costs for qualified first-time home borrowers who

1 shall be prohibited from receiving benefits from more than one (1) affordable
2 housing assistance program administered by the government of Guam. Each
3 payment shall be made to a financial institution through escrow and only after
4 the borrower has met all eligibility requirements established by the Guam
5 Housing Corporation.

6 (d) There is hereby created, separate and apart from all other funds,
7 the *Affordable Housing Assistance Fund* (Fund) which shall be administered
8 by the Guam Housing Corporation. The deposits into the Fund shall not be
9 commingled with any other funds of the Guam Housing Corporation and any
10 other appropriations made to the agency, and shall be kept in a separate bank
11 account. The Fund shall be audited annually and the Guam Housing
12 Corporation is required to prepare and submit an annual report to *I*
13 *Maga'hågan Guåhan* and the Speaker of *I Liheslaturan Guåhan* concerning
14 the administration and activities of the Fund.”

15 **Section 3. Severability.** If any provision of this Act or its application to any
16 person or circumstance is found to be invalid or inorganic, such invalidity shall not
17 affect other provisions or applications of this Act that can be given effect without
18 the invalid provision or application, and to this end the provisions of this Act are
19 severable.

20 **Section 4. Effective Date.** This Act shall be effective upon enactment.