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I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2012 (SECOND) Regular Session

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

This is to certify that **Bill No. 416-31 (COR)**, "AN ACT TO APPROVE AND RATIFY THE TRANSFER OF CERTAIN PROPERTY RELATIVE TO THE LADA ESTATES PROJECT BY THE GUAM HOUSING CORPORATION FOR THE PURPOSE OF DEVELOPING AFFORDABLE HOUSING FOR THE PEOPLE OF GUAM", was on the 16th day of March, 2012, duly and regularly passed.

Judith T. Won Pat, Ed.D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 16th day of MARCH, 2012, at 9:41 o'clock P.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2012 (SECOND) Regular Session

Bill No. 416-31 (COR)
As amended by the Committee on Appropriations, Taxation, Banking, Public Debt, Banking, Insurance, Retirement and Land and further amended on the Floor.

Introduced by: T. R. Muña Barnes
Judith T. Won Pat, Ed.D.
B. J.F. Cruz
v. c. pangelinan
T. C. Ada
V. Anthony Ada
F. F. Blas, Jr.
Chris M. Dueñas
Judith P. Guthertz, DPA
Sam Mabini, Ph.D.
Adolpho B. Palacios, Sr.
R. J. Respicio
Dennis G. Rodriguez, Jr.
M. Silva Taijeron
Aline A.Yamashita, Ph.D.

AN ACT TO APPROVE AND RATIFY THE TRANSFER OF CERTAIN PROPERTY RELATIVE TO THE LADA ESTATES PROJECT BY THE GUAM HOUSING CORPORATION FOR THE PURPOSE OF DEVELOPING AFFORDABLE HOUSING FOR THE PEOPLE OF GUAM.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. *I Liheslaturan Guåhan* finds that there is a continuing demand for affordable housing for Guam families and that this demand has resulted in a critical shortage of affordable housing on Guam. The

Lada Estates Project, an endeavor started twenty-three (23) years ago by the Twentieth Guam Legislature with Public Law No. 20-225 (attached as Exhibit D) and continued by this and past legislatures, is a project to develop affordable housing that will help address this very important issue.

During these past two decades, the property constituting the Lada Estates which had been transferred to the Guam Housing Corporation for the purpose of developing affordable housing has been the subject of much controversy and eventually a lawsuit involving Guam Housing Corporation, the government of Guam and Maeda Pacific Corporation (Superior Court of Guam Civil Case No. CV0135-04). This lawsuit spanning eight years has now finally been resolved and the settlement of the lawsuit which was approved by the Superior Court of Guam on January 6, 2012 paves the way for the realization of this long endeavor to provide affordable housing to the people of Guam.

I Liheslaturan Guåhan also finds that since the enactment of Public Law 20-225 (attached as Exhibit D) in 1991, Public Laws 24-81 (attached as Exhibit E), 25-116 (attached as Exhibit F), and 30-172 (attached as Exhibit G) have been enacted which amended or otherwise affected the Lada Estates Project, that the terms and conditions of the Settlement Agreement and the Grant Deed transferring the subject properties to Maeda Pacific Corporation are consistent with Guam law and the letter and spirit of these public laws in particular.

I Liheslaturan Guåhan further finds that the above referenced statutes attached hereto as exhibits were authored to build affordable homes or bring a responsible end to the legal action which has hindered a favorable outcome for the people of Guam.

I Liheslaturan Guåhan further seeks to ensure that the eventual owners of the affordable homes will be able to obtain clear, marketable and insurable title, by

approving and ratifying the transfer of the subject property and accepting subject to the conditions set forth below, the Lada Estates Settlement Agreement (attached as Exhibit A), Grant Deed with Continuing Conditions and Restrictions (herein referred to as "Grant Deed" and attached hereto as Exhibit B), and Decision and Order (attached as Exhibit C) by and between Guam Housing Corporation and Maeda Pacific Corporation.

It is and has been the intent of *I Liheslaturan Guåhan* that the subject property be used for the development of affordable housing for either rental and/or first time home ownership in accordance with Public Law 20-225 (attached as Exhibit D), 24-81 (attached as Exhibit E), 25-116 (attached as Exhibit F), and 30-172 (attached as Exhibit G). Since covenant number 1 under the Grant Deed states in part that "said houses shall be constructed and sold in accordance with *Guahan* Law, within six (6) years from the date of execution of the Deed. . ." and does not mention that the houses may also be used for affordable rentals as provided by Public Law 30-172 (attached as Exhibit G), it is hereby clarified that homes constructed on the subject property shall be sold or rented in accordance with *Guåhan* Law.

I Liheslaturan Guåhan finds that the Decision and Order (Exhibit C) of the Superior Court of Guam on January 6, 2012 states:

"It is noteworthy that these proceedings have called attention to the possible problems that GHC may encounter in the performance of the settlement agreement. The Government alleges that GHC cannot convey the Lada Estates property to Maeda without legislative or procurement approval."

I Liheslaturan Guåhan further finds that since there has been a substantial delay between the date the Grant Deed was executed and the date the settlement was approved by the Superior Court and the recording of the Grant Deed and since

it was necessary for this Grant Deed to be approved and ratified by this legislature, the date from which to commence the running of the six years to construct the affordable homes shall be the date of the enactment of this public law.

Section 2. Approval of Settlement. Notwithstanding any provision of law, the settlement by and between Guam Housing Corporation and Maeda Pacific Corporation or its assignee under the terms and conditions found in the Settlement Agreement approved by the Superior Court of Guam on January 6, 2012, a copy of which is attached hereto as Exhibit A, are hereby approved and ratified and shall be valid and binding obligations of Maeda or its assignee enforceable in accordance with their respective terms, and there shall be no power to terminate or declare null and void, PROVIDED THAT, the construction contract between Maeda Pacific Corporation or its assignee, the developer and the contractor for the construction and provision of safe and affordable homes is in accordance with the Guam Building Code, 21 GCA, Chapter 67 and all other laws of Guam. The agreement by and between the developer and contractor shall also include the following:

1. Warranties, (consistent with 5 G.C.A. Ch. 32, Section 32105);
2. Liquidated damages;
3. Performance and payment bonds;
4. Indemnity;
5. Builders Risk Insurance;
6. Technical specifications;
7. Progress schedule;
8. Compliance with Guam Labor Regulations;
9. Compliance with Guam Prevailing Wage Rates for Employment of Temporary Alien Workers (H2) on Guam.

Section 3. Transfer of Property. Notwithstanding any provision of law, the transfer of the following described parcels of real property by Guam Housing Corporation to Maeda Pacific Corporation by Grant Deed recorded at the Department of Land Management on January 10, 2012 under Document No. 831095 is hereby approved and ratified;

(a) Lot No. 10120-14, containing an area of 32,455+ square meters (8.020 acres), Dededo, Guam, as shown on Land Management Drawing No. 14-91T395, Map Drawing No. PRB90-138, recorded under Document No. 450102; and

(b) Lot No. 10120-16, containing an area of 154,395+ square meters (38.152 acres), Dededo, Guam, as shown on Land Management Drawing No. 14-91T395, Map Drawing No. PRB90-138, recorded under Document No. 450102.

Section 4. Covenant to Build Affordable Homes. Notwithstanding any provision of law, homes constructed on the properties referenced in Section 3 of this Act shall be sold or rented in accordance with Public Law 30-172 (attached as Exhibit G), within six (6) years from the date of enactment.

Section 5. Correction of Typographical Error in Settlement Agreement. All references in the Settlement Agreement (Exhibit A) to Public Law 30-390 shall be understood to refer to Public Law 30-172.

Section 6. Monitoring and Enforcement of Compliance with Laws. Guam Housing Corporation shall monitor and enforce Maeda Pacific Corporation's or its Assignee's compliance with Public Laws 20-225, 24-81, 25-116, and 30-172. Within ten (10) calendar days of the execution of the contract as required by Section 2 of this Act, the Developer *shall* transmit or cause to be transmitted said contract to the Speaker of *I Liheslaturan Guåhan*, Attorney

General of Guam, and the Executive Director of the Guam Housing Corporation. Within ten (10) days of receipt, the Attorney General shall attest that the construction contract, as required in Section 2, conforms with all of the requirements enumerated within the Section or it shall inform the Legislature and Guam Housing Corporation of its concerns.

Section 7. Effective Date. This Act *shall* be effective upon enactment into law.