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MC Fwd: Guam Housing Corporation's FY 2017 Citizen-Centric Report

1 message

BENJAMIN CRUZ <speaker@senatorbjcruz.com>
To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

Tue, May 29, 2018 at 12:59 PM

05/29/18	05/29/18	Guam Housing Corporation	Guam Housing Corporation's FY 2017 Citizen-Centric Report*	34-18-1927

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From: **Alysia Leon Guerrero** <alysia.leonguerrero@ghc.guam.gov>
Date: Tue, May 29, 2018 at 12:54 PM
Subject: Guam Housing Corporation's FY 2017 Citizen-Centric Report
To: "Speaker Benjamin J.F. Cruz" <speaker@senatorbjcruz.com>, Doris Flores Brooks <dfbrooks@guamopa.com>
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Honorable Benjamin J.F. Cruz
Speaker of I Liheslaturan Guåhan
163 Chalan Santo Papa
Hagåtña, Guam 96910

GL# 34-18-1927
Speaker Benjamin J.F. Cruz

MAY 29 2018
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Received By:

Ms. Doris Flores Brooks
Public Auditor
Office of the Public Auditor
Suite 401, Pacific News Bldg.
238 Archbishop Flores Street
Hagatna, Guam 96910

Honorable Speaker & Public Auditor,

Attached is a copy of Guam Housing Corporation's FY 2017 Citizen-Centric Report as required by PL 30-127.

If you have any questions or concerns regarding the above, please do not hesitate to call me at 647-4143 ext. 130

Best regards,

--
Alysia I. Leon Guerrero
Accounting Manager
Guam Housing Corporation
Tel (671) 647-4143 ext. 130
Fax (671) 649-4144

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OFFICE OF SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication

I Mina'trentai Kuattro na Liheslaturan Guåhan

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Citizen-Centric Report FY2017.pdf
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Guam Housing Corporation
Kotporation Ginima' Guåhan

Fiscal Year 2017 Citizen-Centric Report

GHC'S MISSION

Founded in 1965, Guam Housing Corporation was established for the purpose of providing mortgage financing for first time homeowners in the low to moderate income range, borrowers whom may otherwise not be able to obtain financing.

As part of its program Guam Housing Corporation owns 125 houses in Dededo and 24 apartment units in Yigo for providing rental opportunities for low to moderate income families.

GHC'S GOALS

- Ensure that everyone has the opportunity to be a homeowner and that the Corporation has the resources to fund these programs.
- To assist in securing funding sources for low to moderate income families with lower interest rates, infrastructure needs, or to seek, newer technologies for lower costs in home construction.
- To secure funding for the programs under the Housing Trust Fund, ie First Time Homeowner Assistance Program and the Housing First pilot program.
- To promote the development of affordable homes.

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President
Christopher M. Duenas

Board of Directors

- Francisco Florig, Chairman
- Tomas Flores, Vice Chairman
- Cecilia C.A. Perez, Secretary
- Sandra F. Bordallo, Board Member
- Cecilia G. Mantanona, Board Member
- Rossanna Villagomez-Aguon, Board Member

DEMOGRAPHICS

Description	2017	2016
Employees	24	23
Loans at the end of the fiscal year	392	401
Average loan amount closed for first mortgages	$ 168,083	$ 125,613
Average interest rate for first mortgages closed	4.39%	4.45%
Occupied rental units at the end of the fiscal year	109	123
Vacant rental units at the end of the fiscal year	40	26
Foreclosed properties held for resale at the end of the FY	4	4

First Time Homeowner Assistance Program (FTHAP)

GHC also is the Administrator for the FTHAP. Eligible recipients of the program are provided a grant up to $10,000 or 4% of the total of the purchase price or construction cost and closing costs. This program is not restricted with GHC loans. Currently, there are ten (10) participating financial institutions.

This program was reestablished in January 2012 and has been a real success story. GHC has issued grants totaling $3.2 million to 458 families since the reintroduction of this program.

Guam Housing Corporation's main office is located on the 5th floor of the ITC Building in Tamuning. Telephone number 647-4143. GHC's rental office is located in Dededo at 370 Lada Avenue. Telephone number 632-5660.

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Our Performance

Newly completed home



Description	2017	2016
Housing Division		
Prequalification interviews	407	406
Housing applicants processed	413	525
Loans approved	16	14
Loans closed	22	16
Grants processed	70	72
Grants approved	62	71
Grants disbursed	83	53
Loans packaged for Veteran Affairs	1	0
Trust fund disbursements	562	615
Foreclosures	3	1
Foreclosed property sold	3	2

Description	2017	2016
Rental Division		
Rental applicants processed	85	71
Applicants approved	21	43
Evictions	31	26
Responses to service calls	465	530
Emergency housing families placed	1	7
Homeless placed	8	13

Due to the age of the rental units, major renovation are needed for 12% of the units causing high vacancies and service calls.

Rental unit at Lada Gardens, Dededo



Rental unit at Sagan Linayan, Dededo



As Atdas Apartments for rent in Yigo



Loan Programs

GHC has three loan programs all of which are subject to the availability of funds.

Regular Loan Program: Residential mortgage lending program for first time homeowners who are unable to obtain financing for purchase or construction through conventional lending institution. Interest rate is 1% above the prevailing rate.

Six Percent Loan Program: Residential mortgage loan for first time homeowners who are unable to obtain financing from conventional mortgage lending institutions. The interest rate is to match that of the local markets with a floor of 4% and a ceiling of 6%.

Community Affodable Housing Action Trust (CAHAT) Program: An interest free second mortgage program designed as a down payment assistance program for first time homeowners. Term of the loan is equal to the 1st mortgage not to exceed 30 year.

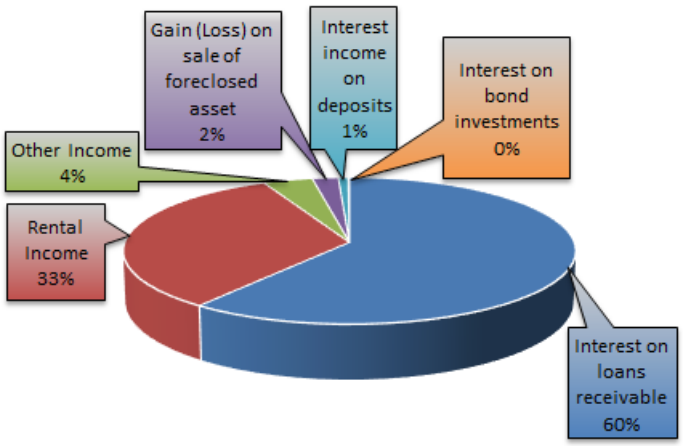
What would you like to see reported on in this page? Please let us know by contacting Alysia Leon Guerrero at 647-4143 ext 130 or email at alysia.leonguerrero@ghc.guam.gov

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Our Finances
Revenues and Expenses

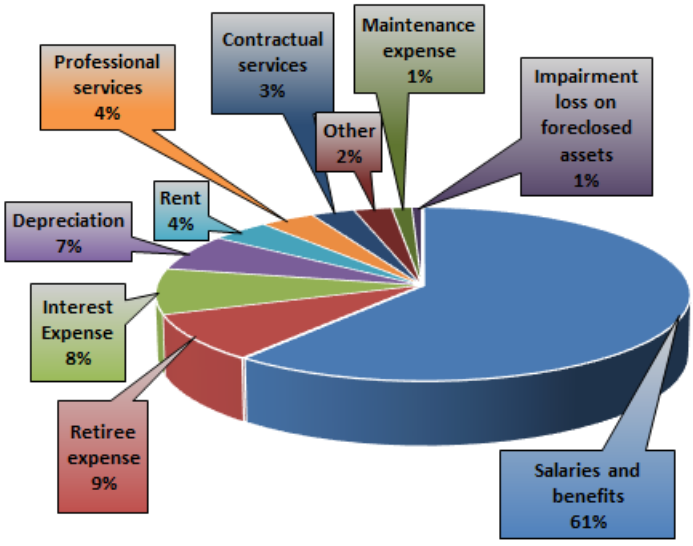
Revenue Sources	FY 2017	*FY 2016	% Change
Interest on loans receivable	$1,544,411	$1,540,861	0.23%
Rental Income	$ 838,268	$ 856,680	-2.15%
Other Income	$ 100,733	$ 44,645	125.63%
Gain (Loss) on sale of foreclosed asset	$ 52,757	$ (68,577)	176.93%
Interest income on deposits	$ 19,999	$ 15,473	29.25%
Interest on bond investments	$ 2,775	$ 54,219	-94.88%
Total Revenue	$2,558,943	$2,443,301	4.73%

FY 2017 Revenue



Other income includes late fees, miscellaneous fees and administrative fees.

FY 2017 Expense



Expenses	FY 2017	*FY 2016	% Change
Salaries and benefits	$1,591,363	$1,826,677	-12.88%
Retiree expense	$ 232,473	$ 232,125	0.15%
Interest Expense	$ 223,005	$ 232,278	-3.99%
Depreciation	$ 176,843	$ 180,994	-2.29%
Rent	$ 105,054	$ 105,054	0.00%
Professional services	$ 96,229	$ 96,486	-0.27%
Contractual services	$ 76,160	$ 85,867	-11.30%
Other	$ 66,359	$ 107,507	-38.27%
Maintenance expense	$ 35,025	$ 54,185	-35.36%
Impairment loss on foreclosed assets	$ 17,160	$ -	
Total Expenses	$2,619,671	$2,921,173	-10.32%

Other Expenses includes supplies, utility, advertising, training, emergency housing, bond trustee fees, director fees and miscellaneous expenses.

* Due to the implementation of GASB 73, FY 2016's Statement of Revenue, Expenses and Changes in Net Position has been restated.

An independent audit was conducted, resulting in a clean audit opinion. To view the complete audited financial statements, visit http://guamhousing.org/.

Doc. No. 34GL-18-1927.*

Challenges Moving Forward

1. The Housing Trust Fund Initiative,

A. Funding:

GHC has come a long way in garnering strong support from many of the major players in obtaining a permanent funding source in favor of the "Housing Trust Fund Act". It is accepted that these programs are of great importance in solving many of Guam's housing problems. The Corporation continues to be successful in securing escheated funds for the First Time Homeowner Assistance Program as well as to establish the Housing First Program which is a program to assist the homeless. Unfortunately, the escheated funds received are insufficient to fund even one program.

The corporation has also been successful in penetrating another major hurdle in securing funding for the Housing Trust Fund. Bill number 145-34 as sponsored by Senator Telena C Nelson which includes the much sought after increase in the real estate transfer fee with a redirection of some of the funds to the Housing Trust Fund has passed legislative muster.

This source of funding, though limited, will have a tremendously positive effect on the housing initiatives supported by the Housing Trust Fund program, but, we are not done yet, there is still a long way to go.

Guam Housing Corporation continues to investigate other funding sources as practiced in other housing trust fund programs across the country.

B. Programs:

There are home or housing problems that other lenders, non-profit housing corporations or HUD can not help with and that is where Guam Housing Corporation steps in;

- First-Time Home-Owner Assistance program
- Solutions for the island's homeless families
- Funding Land Trust applicants
- Financing alternative building systems
- Financing for first time home-owners, who have not been accepted by other lenders, etc.

All of which, plus others, are in use successfully across the country, however the funds in many of the sources noted above are already being used for other programs or otherwise out of reach.

GHC is appreciating a measured progress in securing a solid funding source in ensuring the success of the Housing Trust Fund Act, and its housing programs, however, there is still a long way to go.

2. Partnership:

GHC is also continuing the pursuit of developing affordable housing through alternative building systems. An Invitation For Design Submission (IDS) was announced to potential developers interested in constructing affordable homes by utilizing cost effective materials (i.e., metal, composite concrete, fiber panes, etc,…) to significantly reduce the price of building a home. Collaboration with Chamorro Land Trust Commission and Department of Land Management resulted in indentifying ten (10) lots in the Sagan Linahyan Subdivision to build model homes from these materials to promote interest and market affordable/ alternative building systems. The first of many model homes have been completed with more soon to follow. These alternative buildings will make the Guamanian dream of home ownership a reality for many.

We want to hear from you. Do you like this report? Do you think it should include any other information? Please let us know by contacting Alysia Leon Guerrero at 647-4143 ext. 130 or via email at alysia.leonguerrero@ghc.guam.gov