Guam Legislature Clerks <clerks@guamlegislature.org>

Messages and Communications for Doc. No. 36GL-22-2034*

1 message

Committee on Rules 36GL <cor@guamlegislature.org> Wed, May 18, 2022 at 11:30 AM
To: Clerks <clerks@guamlegislature.org>, Rennae Meno <rennae@guamlegislature.org>
Cc: "Speaker Therese M. Terlaje" <speaker@guamlegislature.org>

Håfa Adai Clerks,

Please see attached M&C Doc. No. 36GL-22-2034 for processing:

36GL-22-2034	Guam Housing Corporation's FY 2021 Citizens-Centric Report*	Guam Housing Corporation

Si Yu'os Ma'åse',

COMMITTEE ON RULES
Vice Speaker Tina Rose Muña Barnes
36th Guam Legislature
I Mina'trentai Sais Na Liheslaturan Guåhan
163 Chalan Santo Papa Hågatña Guam 96910
Email: cor@guamlegislature.org

"Disclaimer: This message is intended only for the use of the individual or entity to which it is addressed and may contain information which is privileged, confidential, proprietary, or exempt from disclosure under applicable law. If you are not the intended recipient or the individual responsible for delivering the message to the intended recipient, you are strictly prohibited from disclosing, distributing, copying, or in any way using this message. If you have received this communication in error, please notify the sender and immediately delete any copies you may have received. Thank you."

---------- Forwarded message ---------
From: **Speaker Therese M. Terlaje** <speaker@guamlegislature.org>
Date: Wed, May 18, 2022 at 9:47 AM
Subject: Messages and Communications for 36GL-22-2034
To: Legislative Secretary Amanda Shelton <officeofsenatorshelton@guamlegislature.org>, Committee on Rules 36GL <cor@guamlegislature.org>

Håfa Adai,

Please see attached M&C Doc. No. 36GL-22-2034*

36GL-22-2034	Guam Housing Corporation's FY 2021 Citizens-Centric Report*	Guam Housing Corporation

Si Yu'os Ma'åse',

Marie Cruz
Community Relations Liaison

Office of Speaker Therese M. Terlaje
Committee on Health, Land, Justice and Culture
I Mina'trentai Sais na Liheslaturan Guåhan
36th Guam Legislature
Guam Congress Building, 163 Chalan Santo Papa, Hagåtña, Guam 96910
T: (671) 472-3586 F: (671) 989-3590 Email: senatorterlajeguam@gmail.com
website: www.senatorterlaje.com

---------- Forwarded message ---------
From: **Alysia Leon Guerrero** <alysia.leonguerrero@ghc.guam.gov>
Date: Wed, May 18, 2022 at 8:52 AM
Subject: Guam Housing Corporation's FY 2021 Citizen-Centric Report
To: Benjamin Cruz <bjcruz@guamopa.com>, speaker@guamlegislature.org <speaker@guamlegislature.org>
Cc: Edith C. Pangelinan <edith.pangelinan@guam.gov>, Frederick Jones <fjones@guamopa.com>, Patricia Kier <patricia.kier@ghc.guam.gov>

Honorable Benjamin F. Cruz,
Public Auditor
Office of the Public Auditor
Suite 401, DNA Bldg.
238 Archbishop Flores Street
Hagåtña, Guam 96910

Honorable Therese M. Terlaje
Speaker of the 36th Guam Legislature
163 Chalan Santo Papa
Hagåtña, Guam 96910

Pursuant to title 1 Guam Code Annotated, Chapter 19 subsection 1922(a), attached herewith is Guam Housing Corporation's FY 2021 Citizen-Centric Report.

Should you have any questions or concerns, please do not hesitate to contact me at the numbers listed below.

Sincerely,

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

36GL-22-2034.pdf
1901K

Speaker Therese M. Terlaje <speaker@guamlegislature.org>

Guam Housing Corporation's FY 2021 Citizen-Centric Report

Alysia Leon Guerrero <alysia.leonguerrero@ghc.guam.gov>
Wed, May 18, 2022 at 8:52 AM
To: Benjamin Cruz <bjcruz@guamopa.com>, "speaker@guamlegislature.org" <speaker@guamlegislature.org>
Cc: "Edith C. Pangelinan" <edith.pangelinan@guam.gov>, Frederick Jones <fjones@guamopa.com>, Patricia Kier <patricia.kier@ghc.guam.gov>

Honorable Benjamin F. Cruz,
Public Auditor
Office of the Public Auditor
Suite 401, DNA Bldg.
238 Archbishop Flores Street
Hagåtña, Guam 96910

Doc Type: 36GL-22-2034
OFFICE OF THE SPEAKER
THERESE M. TERLAJE
05 18 2022
Time: 8:52 am
Received:

Honorable Therese M. Terlaje
Speaker of the 36th Guam Legislature
163 Chalan Santo Papa
Hagåtña, Guam 96910

Pursuant to title 1 Guam Code Annotated, Chapter 19 subsection 1922(a), attached herewith is Guam Housing Corporation's FY 2021 Citizen-Centric Report.

Should you have any questions or concerns, please do not hesitate to contact me at the numbers listed below.

Sincerely,

COMMITTEE ON RULES
RECEIVED:
May 18, 2022
9:47 A.M.

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

GHC CCR FY 2021.pdf
1737K

Guam Housing Corporation
Kotporasion Ginima' Guåhan
Citizen-Centric Report
Fiscal Year 2021 (October 2020 to September 2021)

TABLE OF CONTENTS

About Us 1
Our Performance 2
Our Finances 3
Challenges and Outlook 4

BOARD OF DIRECTORS

Francisco A. Florig
Chairman

Tomas L.G. Flores
Vice-Chairman

Lanita B. Tiong
Secretary

Sandra F. Bordallo
Member

Mark A. Duarte
Member

Cecilia G. Mantanona
Member

Edith C. Pangelinan
President

Angela M. Camacho
Manager

https://guamhousing.org
patricia.kier@ghc.guam.gov
(671) 647-4143
590 South Marine Corps Dr.
ITC Building Suite 514
Tamuning, Guam 96913

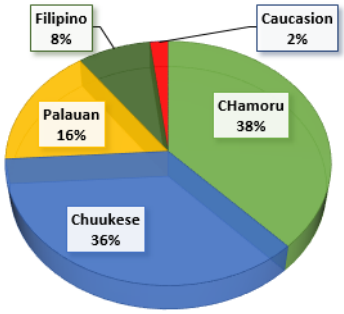
ABOUT US

Guam Housing Corporation was created through Public Law 8-80 on August 21, 1965. Our mandate is to help individuals and families secure mortgage financing who cannot otherwise qualify as borrowers through conventional means. We are authorized to engage in housing activities including development of residential subdivisions and construction of housing for rental or resale. As part of our programs, GHC owns 125 houses in Dededo and 24 apartment units in Yigo providing rental opportunities for low to moderate income families.

OUR MISSION

To create and preserve sustainable communities through innovative financing and the development of affordable housing in our community.

Active Tenant Composition



OUR GOALS

- Increase the number of first-time, low to moderate income families realizing their dream of homeownership.
- Secure lower interest rates, infrastructure needs, and pursue newer technologies in home construction.
- Pursue the research and planning of the development of affordable homes.

DEMOGRAPHICS	FY 2019	FY 2020	FY 2021	% Change
# of employees	22	23	24	4%
# of loans at the end of the fiscal year	362	341	318	(7%)
# of rental units	148	148	148	0%
# of active tenants	109	104	95	(9%)
Average interest rate for first mortgage closed	4.9%	4.0%	4.50%	13%

MANAGEMENT AND STAFF

EXECUTIVE DIVISION
Patricia Kier

ACCOUNTING DIVISION
Alysia Leon Guerrero
Robert Sabang
Mel Aldrian Baldoz
Christine Torres
Lynn Arnaiz

RENTAL DIVISION
John Potter
Deborah Santos
Diana Duenas

ADMINISTRATION DIVISION
Cassandra Santos
Arleen Ada

LOAN DIVISION
Mary Guerrero
Emily Flores
Susymae Santos
Linda Charfauros
Andrew Molo

MAINTENANCE DIVISION
John Muña
Brian Asuncion
Randy Barcinas
Edward Aguon, Jr.
Albert Molo

For more information, please visit our website at www.guamhousing.org.

OUR PERFORMANCE

GHC LOAN PROGRAMS

REGULAR LOAN PROGRAM

The interest rate is prevailing rate plus 2% for a term up to 30 years.

SIX PERCENT PROGRAM

The interest rate is no lower than 4.00% and no higher than 6.00% for a term up to 30 years.

COMMUNITY AFFORDABLE HOUSING ACTION TRUST (CAHAT) PROGRAM

The program offers an interest free rate on a second mortgage designed as a down payment assistance program for first-time homeowners for a term up to 30 years.

FIRST-TIME HOMEOWNER ASSISTANCE PROGRAM (FTHAP)

GHC is the Administrator of the FTHAP. Eligible recipients are provided a grant up to $10,000 or 4% of the total purchase price or construction cost of the home. There are currently eleven (11) other participating financial institutions. In fiscal year 2021, seventy-one (71) families were awarded grants totaling $642,952.

HOUSING MORTGAGE	FY2019	FY2020	FY2021	% CHANGE
# of mortgages processed	106	59	164	178%
# of mortgages approved	19	10	3	(70%)
# of mortgages closed	20	10	3	(70%)
# of FTHAP grants processed	58	41	48	17%
# of FTHAP grants approved	33	40	82	105%
# of FTHAP grants closed	34	39	71	82%
# of mortgage loan payoffs	30	30	25	(17%)
# of accounts resolved	14	9	2	(78%)
# of accounts foreclosed	1	0	0	0%
Mortgage delinquency rate	9%	15%	11%	(27%)

DEFINITIONS

Processed: Applications that have been reviewed for eligibility.

Approved: Applications that have been determined eligible, approved, and funds committed.

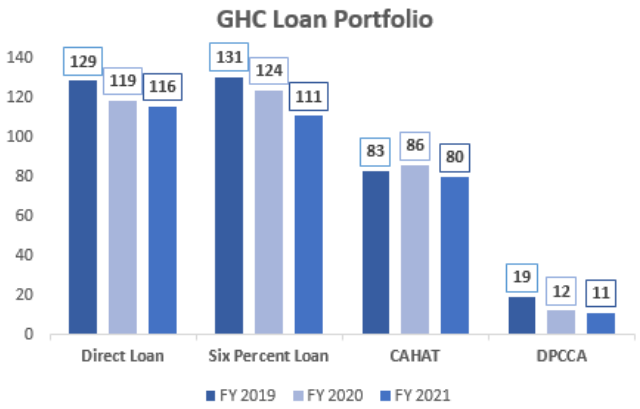
Closed: Documents that were completed, signed, and funds disbursed.

COVID-19 MORTGAGE RELIEF PROGRAM (MRP)

The MRP was a relief program administered to provide assistance to mortgagors who were financially impacted by the COVID-19 Pandemic. Under a Memorandum of Agreement between GHC and the Guam Housing and Urban Renewal Authority (GHURA), GHC administered the program with GHURA maintaining control of MRP funds with disbursement to GHC on a reimbursement basis. Unfortunately, the program had unusually restrictive guidelines and only 6 applicants qualified for assistance. The program expired on July 31, 2021.

RENTAL UNITS	FY2019	FY2020	FY2021	% CHANGE
# of applications processed	37	11	23	109%
# of evictions	13	0	3	N/A
# of families placed on emergency housing	9	6	3	(50%)
# of homeless placed	3	2	0	(100%)
# of units for major repairs	26	33	33	0%
# of maintenance work order requests	568	430	446	4%
# of delinquent accounts	81	66	58	(12%)
Vacancy rate	26%	28%	29%	4%
Rental delinquency rate	14%	13%	9%	(31%)

The reduction in the number of delinquent accounts and the rental delinquency rate is attributed to the receipt of payments from the Emergency Rental Assistance Program. GHC was able to work with thirty-eight (38) tenants to receive a total of $168,876.



Seventy-one (71) families were recipients of the First-Time Homeowners Assistance Program (FTHAP) Grant during fiscal year 2021.

Pictured with the family recipients are Lt. Governor Joshua Tenorio, GHC Board Directors, Management, and Staff.

What would you like to see reported on this page?
Please let us know by contacting Patricia Kier at patricia.kier@ghc.guam.gov.

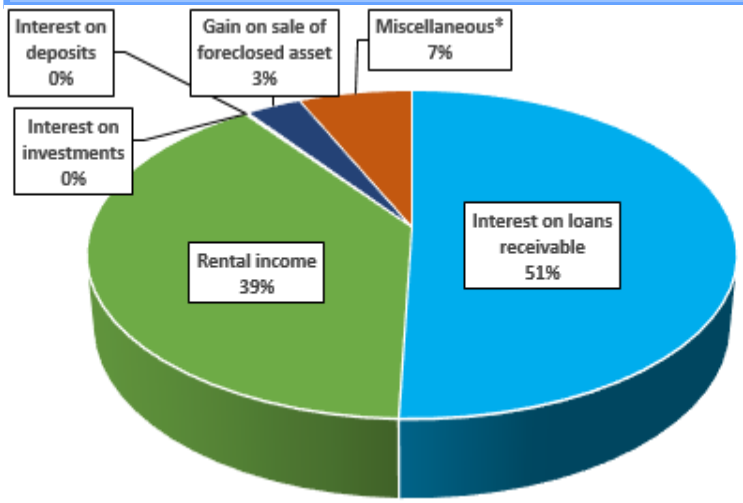
Doc. No. 36GL-22-2034.*

OUR FINANCES

REVENUES	FY 2019 (Restated)	FY 2020 (Restated)	FY 2021	% Change
Interest on loans receivable	$1,534,866	$ 1,337,222	$ 1,251,958	(6%)
Rental income	867,991	857,041	974,814	14%
Interest on investments	52,720	54,719	3,070	(94%)
Interest on deposits	48,261	30,576	2,689	(91%)
Gain on sale of foreclosed asset	57,188	28,100	80,297	186%
Miscellaneous*	101,173	20,097	164,050	716%
Total	**$2,662,199**	**$ 2,327,755**	**$ 2,476,878**	**6%**

*Miscellaneous revenues include late fees, administrative fees, and other revenues.

REVENUES



Total revenues increased by 6% mainly from:

- Rental income due to the reduction of allowance of uncollectables.
- Gain on sale of foreclosed assets due to increase in number of properties sold in FY 2021.
- Miscellaneous income due to the increase of administrative fees from the FTHAP and administrative fees received for one personnel assisting the Department of Administration's COVID-19 programs.

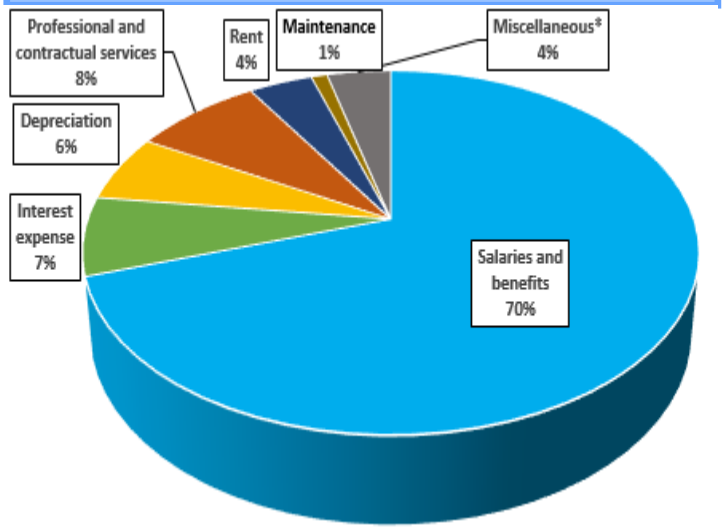
Significant decreases in revenues are:

- Interest on investments due to the decrease in investments and decrease in interest rates.
- Interest on deposits due to the decrease in interest rates on checking accounts and Certificate Deposits.

EXPENSES	FY 2019 (Restated)	FY 2020 (Restated)	FY 2021	% Change
Salaries and benefits	$1,679,884	$ 1,743,330	$ 1,767,395	1%
Interest expense	202,973	192,477	181,530	(6%)
Depreciation	186,037	155,255	149,584	(4%)
Professional and contractual services	205,603	189,628	187,886	(1%)
Rent	105,054	105,054	105,054	0%
Maintenance	70,252	32,801	37,348	14%
Retiree supplemental and benefits	(623,856)	(365,880)	(473,405)	(29%)
Miscellaneous*	80,215	104,968	87,960	(16%)
Total	**$1,906,162**	**$ 2,157,633**	**$ 2,043,352**	**(5%)**

*Miscellaneous expenses include loss on foreclosed assets, supplies, utilities, advertisements, training, emergency housing, bond trustee fees, director fees, and other expenses.

EXPENSES



Total expenses decreased by 5% mainly from:

- Retiree supplemental and benefits decreased due to the decrease in the OPEB liability.
- Miscellaneous expenses decreased due to the loss on foreclosed assets in FY 2020.

FY 2019 and 2020 were restated due to the implementation of GASB 84.

An independent audit was conducted resulting in a clean audit opinion. Our complete financial information can be found at https://guamhousing.org/financial-reports/ghc-fy2021-audited-fs-2/

Doc. No. 36GL-22-2034.*

OUR CHALLENGES AND OUTLOOK

OUR CHALLENGES

AFFORDABLE HOUSING INVENTORY

The availability of homes for purchase in the low to moderate price range continues to be an obstacle for borrowers. While many applicants are able to receive pre-qualification, very few homes are available to purchase within their price bracket. Additionally, the rising cost for materials, the skilled labor shortage, as well as the numerous large military and private sector construction projects that are currently underway make it increasingly difficult for borrowers to find contractors willing and able to enter into contract for a single family home construction project.

RENTAL HOUSING MARKET

The rental market continues to see rates priced beyond the reach of low to moderate income families due in large part to the higher rents paid by the Military market in Guam. These higher rental payments have driven up the prices for many rental units beyond the payment ability of low to moderate income families. An increase in the inventory of affordable rental units is needed to address the need for rental housing for families in the low to moderate income range. GHC is challenged with obtaining funding to complete renovations to an additional 14 units in Dededo and 24 in Yigo.

COVID-19

The COVID-19 Pandemic continues to negatively affect the finances of many families on Guam. GHC is challenged with assisting tenants and mortgagors in developing a reasonable schedule for payment. Further, we must continue to identify available relief programs and encourage tenants and mortgagors to apply for assistance.

The GHC Dads were honored with a luncheon in celebration of Father's Day 2021.

OUR OUTLOOK

The following are upcoming projects and events for fiscal year 2022:

- Renovate an additional 14 rental units at Lada Gardens and Sagan Linahyan, Dededo and 24 units at As-Atdas, Yigo.
- Complete the installation of typhoon shutters for 33 units at the Lada Gardens properties under a hazard mitigation grant.
- Build multiple affordable homes on identified CLTC lots to showcase alternative building systems, sustainable materials, and energy saving designs. They will be utilized as model homes to provide the general public with information and access to physical examples of available affordable building systems and the developers/contractors who build them. After the model home period is concluded, the goal will be to provide financing for the purchase of these homes by qualified CLTC lessees.

In partnership with the Department of Youth Affairs, GHC participated in the 2021 Summer Youth Program. Pictured are GHC Staff with our Summer Interns on their final day.

GHC received the "Excellence in Citizen-Centric Reporting Platinum Award" for fiscal year 2020 from the Association of Government Accountants Guam Chapter.

We want to hear from you. Do you have any suggestions on how we can improve our report? Please let us know by contacting Patricia Kier at patricia.kier@ghc.guam.gov.

Doc. No. 36GL-22-2034.*