



A Report To Our Citizens

GUAM HOUSING CORPORATION

590 S. Marine Corps Drive, Ste. 514 ITC Bld., Tamuning, Guam 96931

Fiscal Year 2013

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.

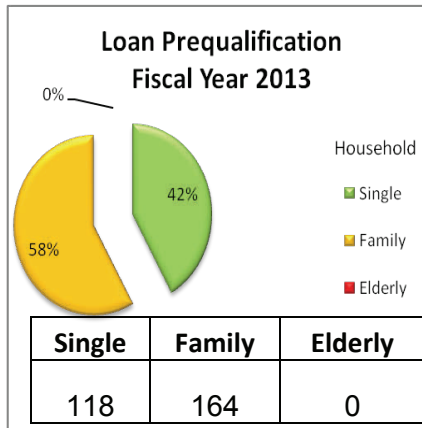
As part of its program Guam Housing Corporation owns 127 houses and 24 apartment units for providing rental opportunities for low to moderate income families.



Grant recipient for the First Time Homeowner Assistance Program

GHC'S GOALS

- Ensure that everyone has the opportunity to be a homeowner and that the corporation has the resources to fund these loans.
- 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 First Time Homeowner Assistance Program.
- To promote the development of affordable homes.



Board of Directors

- Francisco Florig, Chairman
- Jun Eun, Vice Chariman
- Glenn Meno, Secretary
- Romeo Angel, Member
- Tomas LG . Flores, Member
- Sandra Santos, Member

President

- Martin C. Benavente

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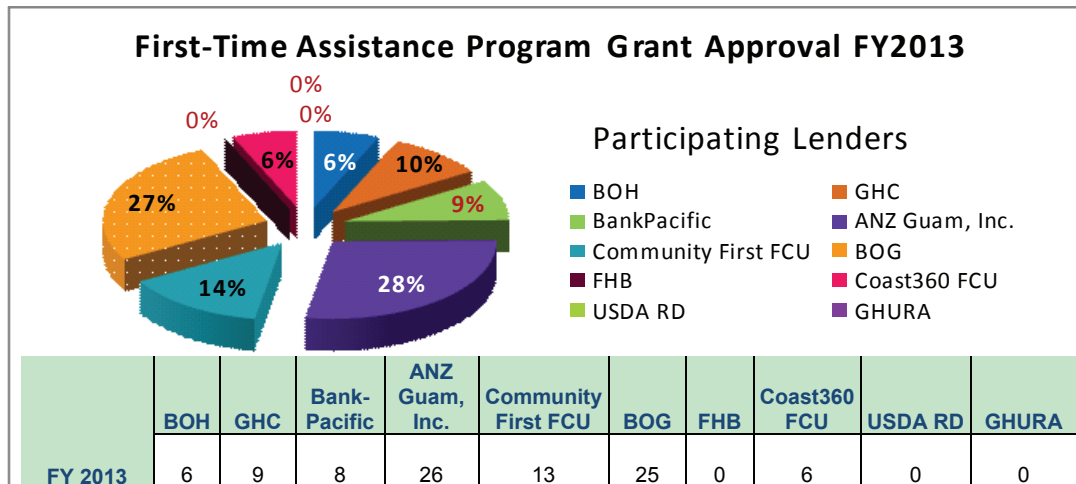
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Rental Units Consist of:

| Lada Gardens - Dededo | Number of Units |
|-----------------------|-----------------|
| Houses | |
| 2 Bedroom | 20 |
| 3 Bedroom | 48 |
| 4 Bedroom | 47 |

| Sagan - Astumbo, Dededo | Number of Units |
|-------------------------|-----------------|
| Houses | |
| 1 Bedroom | 4 |
| 2 Bedroom | 4 |
| 3 Bedroom | 2 |
| 4 Bedroom | 2 |

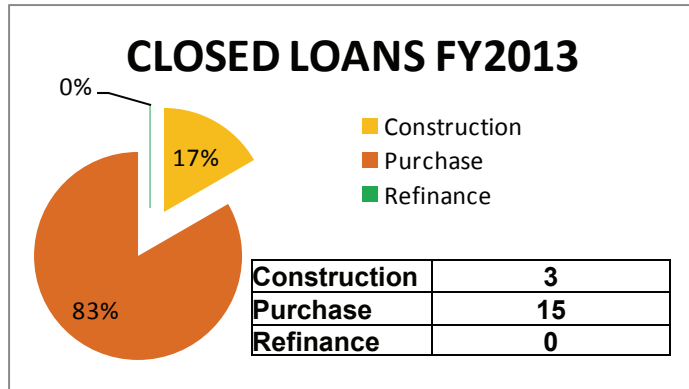
| As Atdas - Yigo | Number of Units |
|---------------------------|-----------------|
| Apartments | |
| 2 Bedroom | 8 |
| 3 Bedroom | 16 |
| Total Rental Units | 151 |



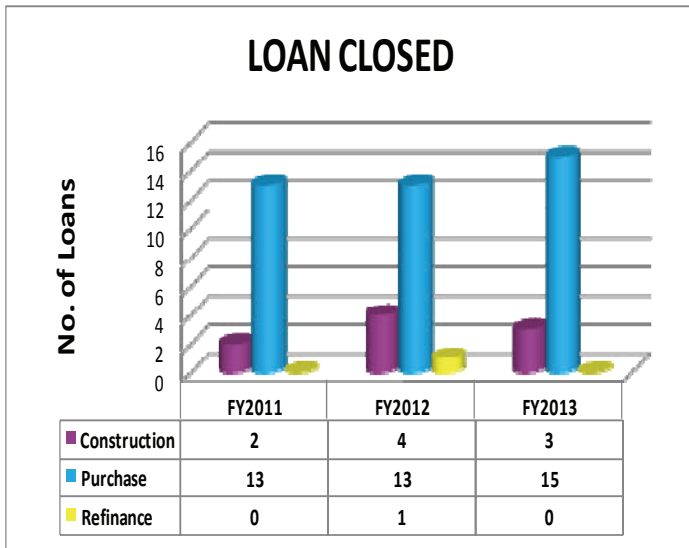
PERFORMANCE

GHC Loan Programs Closed

In fiscal year 2013, eighteen (18) loans were closed totaling \$2.4 million. Thirteen (13) loans were for first mortgages to purchase, construct or refinance homes for first time home buyers & the remaining five (5) were closed under the Community Affordable Housing Action Trust (CAHAT) to provide down payment relief to first time home buyers.



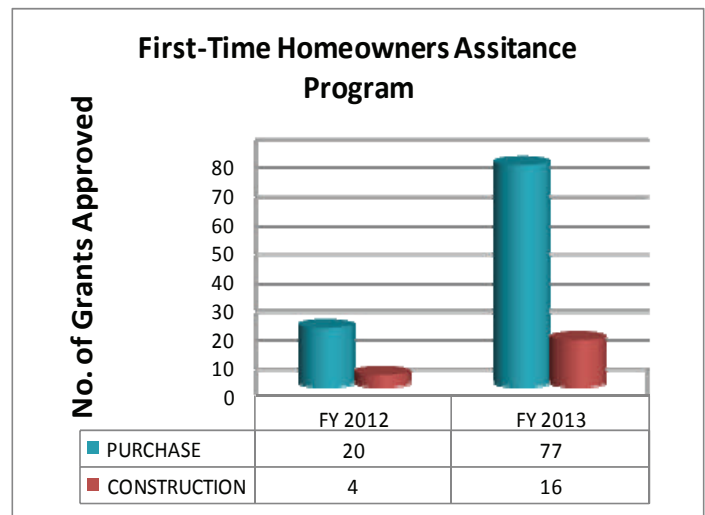
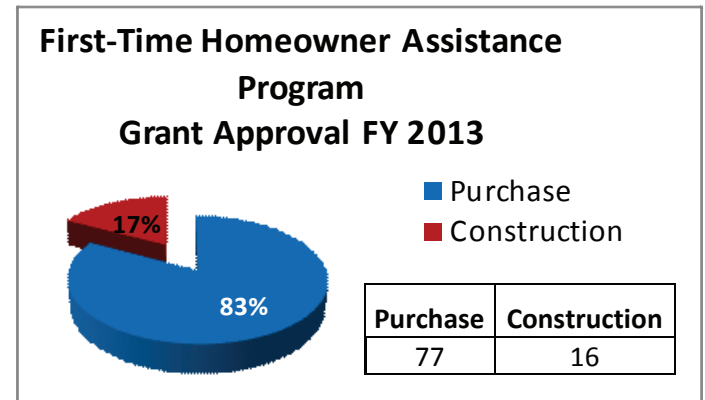
All Four charts reflect a greater demand for purchasing a home rather than building.



First-Time Homeowner Assistance Program

Through Public Law 32-036 GHC was able to “re-vitalize” its Housing Trust Fund Act’s FTHAP. On June 13, 2013 in accordance with the public law, the Department of Administration (DOA) transferred to GHC \$1.2 million for the FTHAP.

Eighty Four (84) grants totaling \$600,164 were disbursed during fiscal year 2013. The breakdown of the funding sources for the grants consist of fifty (50) grants totaling \$357,106 disbursed from GHC’s operating fund & thirty-four (34) grants totaling \$243,058 disbursed from DOA’s fund.



Rental Division

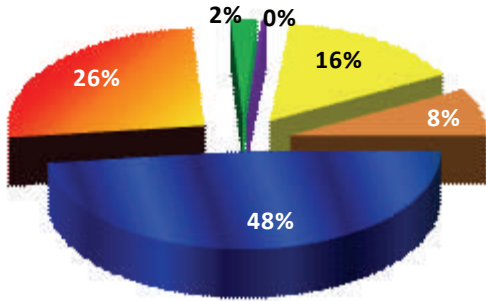
Rental

GHC has continued major renovations at its rental units at Lada Gardens. In fiscal year 2013, two (2) units were renovated totaling \$66 thousand. A higher rent is being charged for the units that are newly renovated. It is the GHC’s hope to continue these renovations, subject to availability of funds.



REVENUE SOURCES

FY 2013



- Interest on loans receivable
- Rental Income
- Investments held by bond trustees
- Interest-bearing deposits
- Other Income
- Reversal of Loan Losses

| Revenue Sources | FY 2013 | FY 2012 | % Change |
|-----------------------------------------------|---------------------|---------------------|--------------|
| Interest on loans receivable | \$ 1,702,771 | \$ 1,764,043 | -3.47% |
| Rental Income | \$ 917,351 | \$ 858,088 | 6.91% |
| Interest on investments held by bond trustees | \$ 76,068 | \$ 120,282 | -36.76% |
| Interest-bearing deposits | \$ 15,666 | \$ 22,304 | -29.76% |
| Other Income | \$ 548,940 | \$ 660,760 | -16.92% |
| Reversal of Loan Losses | \$ 279,641 | \$ - | |
| Total Revenue | \$ 3,540,437 | \$ 3,425,477 | 3.36% |

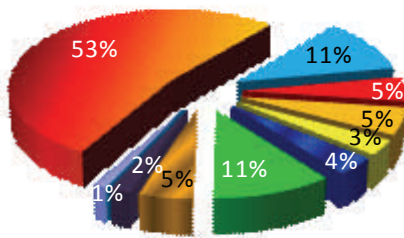
In FY 2012, in accordance with Public Law 31-215, ten abandoned properties located within the Sagan Linahyan Subdivision in Dededo, Guam were transferred from the Department of Land Management (DLM) to GHC. The ten properties were appraised at \$601,000 and recorded under Other Income. In FY 2013, the ten Sagan units were renovated by Guam Housing & Urban Renewal Authority (GHURA) which increased the appraised value of the buildings by \$497,500. This increase was recorded under Other Income in FY 2013.

Interest on Investment Held by Bond Trustees decreased due to the decrease in market value.

Interest Income on Bank Deposit decreased due to the decrease in cash.

EXPENSE

FY 2013



- Salaries and benefits
- Interest expense
- Retiree expense
- Depreciation & Bad debts
- Contractual services
- Rent
- First-time Homeowners Assistance Program
- Professional services
- Other
- Maintenance expense

| Expenses | FY 2013 | FY 2012 | % Change |
|------------------------------------------|---------------------|---------------------|---------------|
| Salaries and benefits | \$ 1,738,787 | \$ 1,603,090 | 8.46% |
| Interest expense | \$ 364,452 | \$ 444,377 | -17.99% |
| Retiree expense | \$ 163,917 | \$ 167,596 | -2.20% |
| Depreciation & Bad debts | \$ 183,604 | \$ 176,213 | 4.19% |
| Contractual services | \$ 104,132 | \$ 97,169 | 7.17% |
| Rent | \$ 120,032 | \$ 115,119 | 4.27% |
| First-time Homeowners Assistance Program | \$ 357,106 | \$ 107,513 | 232.15% |
| Professional services | \$ 159,720 | \$ 92,629 | 72.43% |
| Other | \$ 63,276 | \$ 72,359 | -12.55% |
| Maintenance expense | \$ 42,588 | \$ 48,205 | -11.65% |
| Total Expenses | \$ 3,297,614 | \$ 2,924,270 | 12.77% |

First Time Homeowners Assistance Program (FTHAP) increased by \$249,593. P.L. 31-166 was signed into law requiring GHC to fund the initial seed for the FTHAP. The first disbursement was made in July 2012. In FY 2012 & 2013 a total of \$107,513 & \$357,106 was disbursed to fifteen (15) & fifty (50) first-time homeowners respectively using GHC's operating funds.

The increase in Professional Services was due to the cost to conduct a Housing Study to see if it is feasible to build more apartment or housing units at the As-Atdas site. The total cost for the study as of September 2013 was \$83,438.

Grant Recipients for the First Time Homeowner



Challenges Moving Forward

1. The Housing Trust Fund Initiative,

a. Programs:

Through the “Housing Trust Fund act”, GHC will continue to develop, with the help, support and encouragement from public officials and private enterprise;

A continuous source of funding to maintain these much needed housing programs.

Although the Corporation was successful in securing a temporary funding source in fiscal year 2013, through Public Law 32-036, for its FTHAP there is still so much more to do to re-address safe and secure housing programs, including:

- Homeownership programs for those families or individuals whom are financially less fortunate, medically or physically challenged that may include;
 - Veterans home programs
 - Hazard mitigation programs
 - Homeless programs
 - Emergency shelters

b. Funding:

The “Housing Trust Fund’s” continued success depends wholly on additional funding sources as practiced nationwide, and, that the corporation will remain in pursuit of legislation accordingly:

- Real Estate transfer fees
- Interest on security deposits and escrow accounts
- Penalties on late real property tax payments
- Grants

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. GHC has classified this project as a priority