



A REPORT TO OUR CITIZENS

GUAM HOUSING CORPORATION

590 S. MARINE CORPS, DRIVE, STE. 514 ITC BLDG., TAMMING, GUAM 96931

FISCAL YEAR 2014

GHC'S MISSION AND GOALS:

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, applicants 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.

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.



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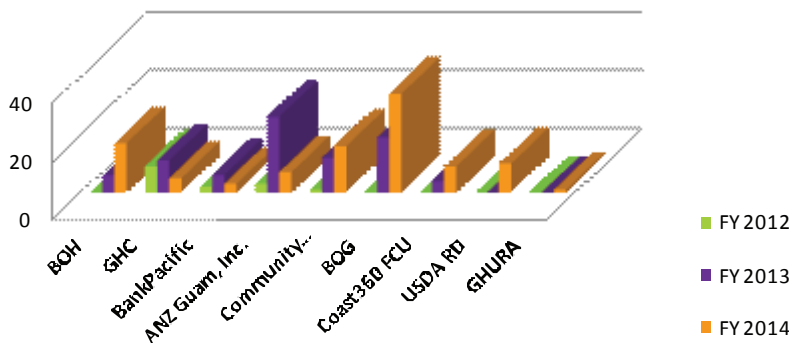
MANAGER
 MICHAEL G. MARTINEZ

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FIRST-TIME HOMEOWNER ASSISTANCE PROGRAM (FTHAP)

First-Time Homeowner Assistance Program Disbursements



RENTAL UNITS CONSIST OF

Lada Gardens, Dededo

Houses	No. of Units
2 Bedroom	20
3 Bedroom	48
4 Bedroom	47

Sagan, Astumbo Dededo

Houses	No. of Units
1 Bedroom	4
2 Bedroom	4
3 Bedroom	2
4 Bedroom	2

As Atdas, Yigo

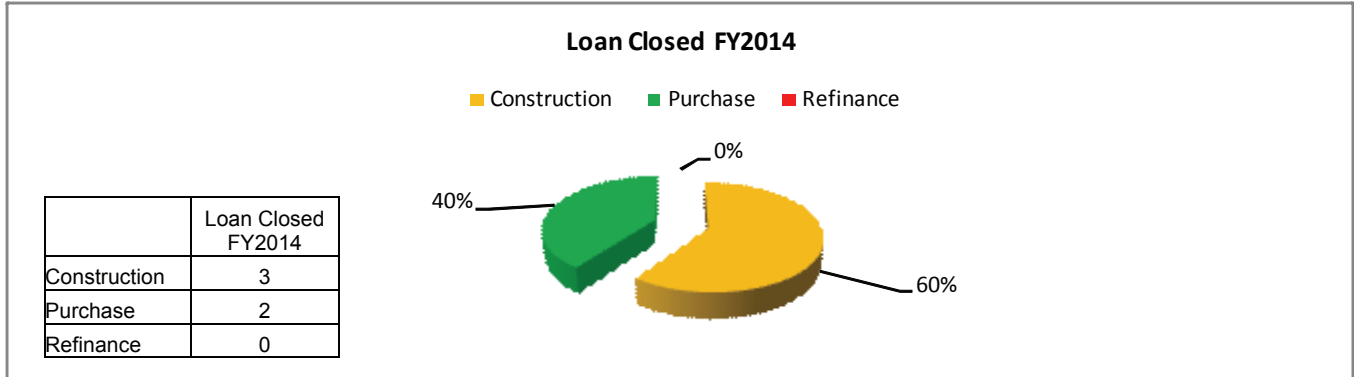
Apartments	No. of Units
2 Bedroom	8
3 Bedroom	16
Total Rental Units	151

	BOH	GHC	Bank-Pacific	ANZ Guam, Inc.	Community First FCU	BOG	Coast360 FCU	USDA RD	GHURA
FY 2012	0	9	2	3	1	0	0	0	0
FY 2013	6	11	6	26	12	19	4	0	0
FY 2014	17	5	3	7	16	34	9	10	1

PERFORMANCE

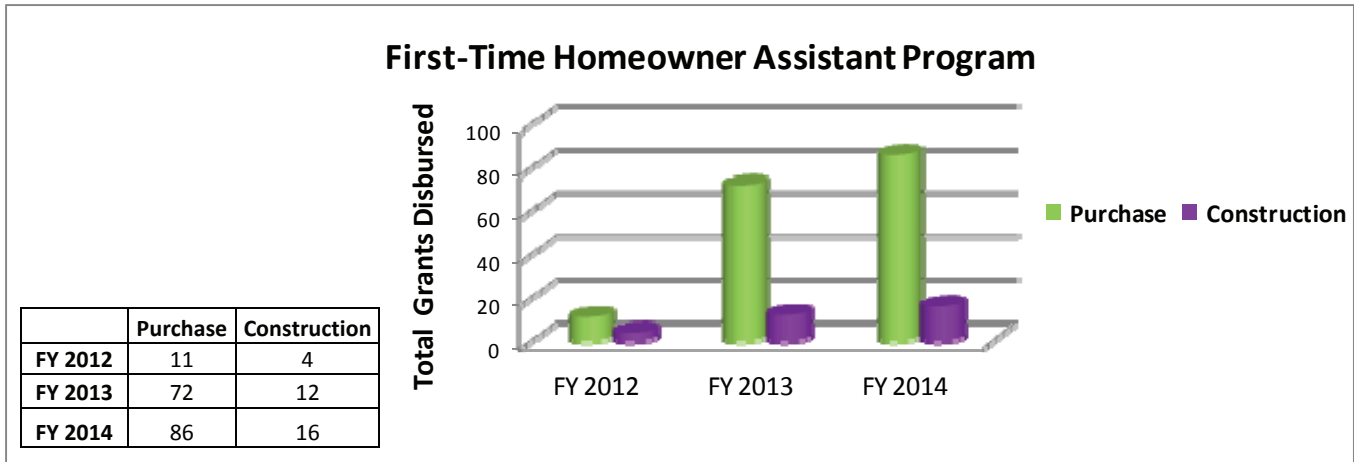
GHC LOAN PROGRAMS CLOSED:

Due to limited funds available and a high interest rate of 6.49% for the direct loan program in fiscal year 2014, only five (5) loans were closed. Of the five loans, two were for purchases and three were for constructions.



FIRST-TIME HOMEOWNER ASSISTANCE PROGRAM:

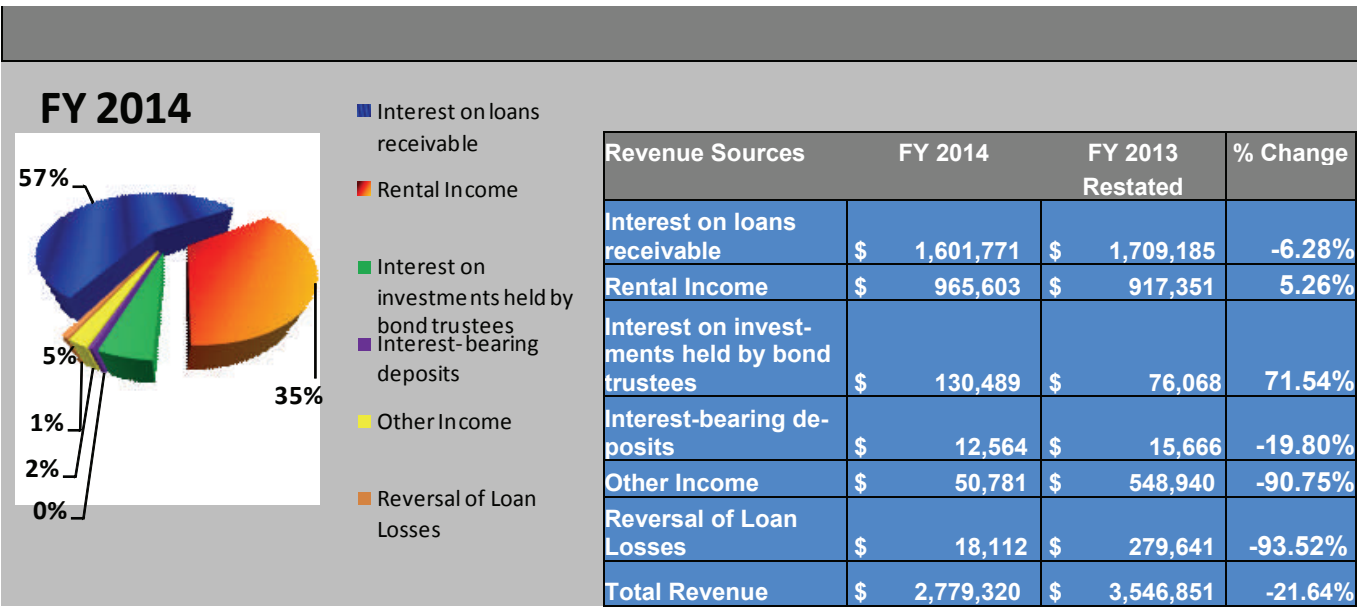
Although the total number of loans originated by GHC have gone down, the number of FTHAP grants disbursed have increased. The total number of grants disbursed in Fiscal Years 2012, 2013 & 2014 were 15, 84 & 102 respectively. The majority of the grants were for purchases in each fiscal year. The demand for this grant continues in fiscal year 2015. This is why GHC has been lobbying the Legislature to continue the funding source for future appropriations. We encourage the citizens of Guam to talk to their legislators and request for continued funding and support of this valuable program.



Rental properties

GHC continued major renovations at Lada Gardens. In fiscal year 2014 a total of \$179,205 was spent on the renovations. Since fiscal year 2013 a total of five (5) units were completed at a total cost of \$245,881. Average cost per unit was \$49,176.

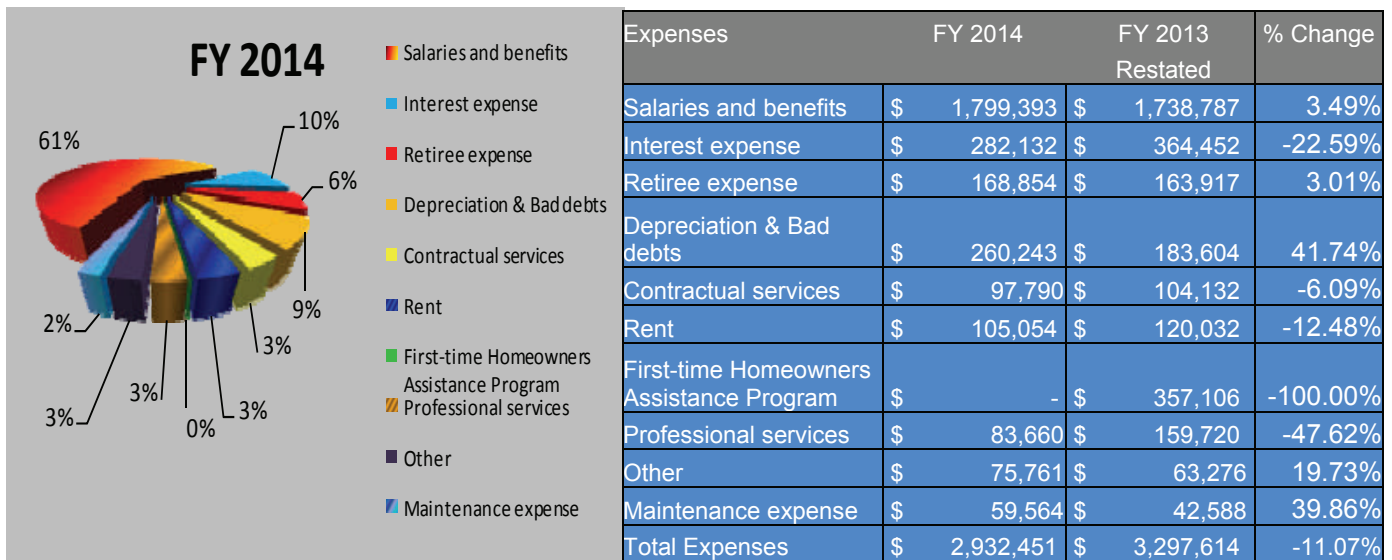
REVENUE SOURCES



In FY 2013, the ten Sagan units, which were transferred from the Department of Land Management to GHC, in accordance with Public Law 31-215, 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 increased due to the increase in market value.

EXPENSES



FTHAP decreased by \$357,106. P.L. 31-166 was signed into law requiring GHC to fund the initial seed for the FTAP. The \$357,106 was disbursed using GHC's operating funds for fifty (50) first time homeowners in fiscal year 2013. In fiscal year 2014, funds disbursed for the grant was disbursed from the money received from the general government which reduced the restricted payables.

The decrease in Professional Services was due to the cost in fiscal year 2013 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.

Depreciation & Bad debts increased due the change of the Allowance for Tenant Uncollectible from four percent (4%) of gross rent to sixty (60) days and over delinquent in fiscal year 2014.

Maintenance Expense increased due to the changing of exterior doors to fiber glass doors.

CHALLENGES MOVING FORWARD

1. The Housing Trust Fund Initiative, continues, gaining momentum as it was specifically addressed in the Governor's State of the Island Address of 16 February 2015.

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

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



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