

# GUAM HOUSING CORPORATION

## Kotporasion Ginima' Guåhan



**FY 2019**  
**CITIZEN-CENTRIC**  
**REPORT**



### 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

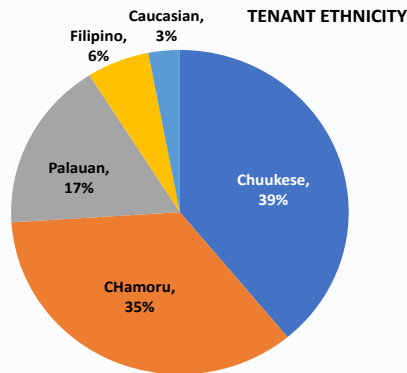
To create and preserve sustainable communities through innovative financing and the development of affordable housing in our community.

### 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.



2019 GovGuam Relay For Life - Team GHC



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**Linda Charfauros**  
**Lynn Arnaiz**

Rental Division  
**John Potter**  
**Deborah Santos**

Maintenance Division  
**John Muña**  
**Paul Techaira**  
**Brian Asuncion**  
**Randy Barcinas**  
**Edward Aguon Jr.**

DEMOGRAPHICS	FY17	FY18	FY19	% CHANGE
Employees	24	25	22	(12.00%)
Loans at the end of the fiscal year	392	373	362	(2.95%)
Average interest rate for first mortgages closed	4.39%	4.27%	4.90%	14.75%
Rental units	149	149	148	(0.67%)
Active tenants	109	104	109	4.81%
<b>RENTAL UNITS</b>				
Chuukese	35%	46%	39%	(15.22%)
CHamoru	35%	26%	35%	34.62%
Palauan	18%	15%	17%	13.33%
Filipino	9%	10%	6%	(40.00%)
Caucasian	3%	3%	3%	0.00%

For more information about us, please log onto our website: <https://quamhousing.org/>

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# Our Performance

## GHC Programs

### Regular Loan Program

Interest Rate is prevailing rate plus 2% for a term up to 30 years.

### Six Percent Program

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

### CAHAT Program

An interest free second mortgage designed as a down payment assistance program for first time homeowners for term up to 30 years.

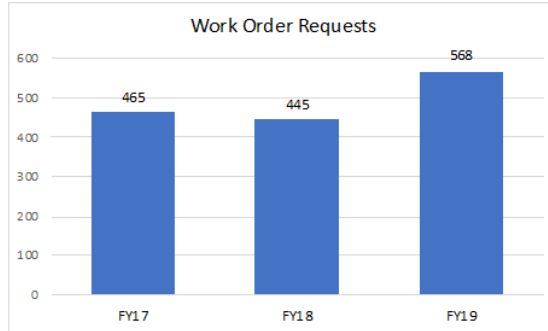
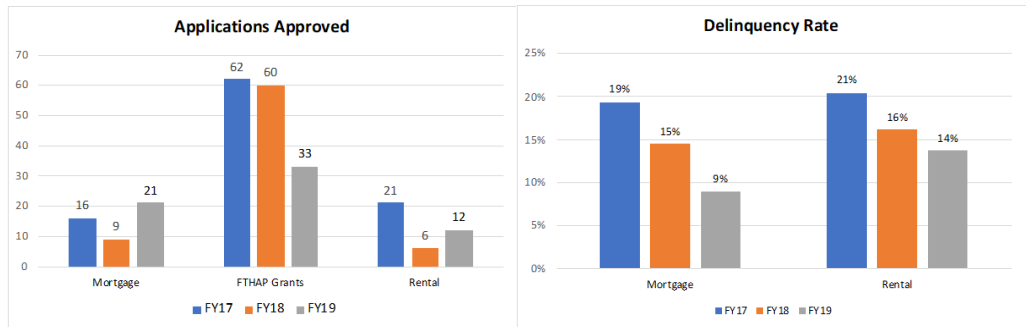
### First-Time Homeowner Assistance Program (FTHAP)

GHC is the Administrator of the FTHAP. Eligible recipients of the program are provided a grant up to \$10,000.00 or 4% of the total purchase price or construction cost of the home inclusive of closing costs. There are currently eleven (11) other participating financial institutions. For Fiscal Year 2019, thirty-four (34) families were awarded FTHAP grants totaling \$276,991.

GHC participated in the "GovGuam Island Wide Cleanup"



HOUSING MORTGAGE	FY17	FY18	FY19	% CHANGE
Mortgage Applications Processed	413	142	106	(25.35%)
Mortgage Loans Closed	22	8	20	150.00%
FTHAP Grants Processed	70	65	58	(10.77%)
FTHAP Grants Disbursed	83	54	34	(37.04%)
Mortgage Loan Payoffs	27	27	30	11.11%
Accounts Referred to Legal	34	3	0	(100.00%)
Accounts Resolved	20	6	14	133.33%
Accounts Foreclosed	3	1	1	0.00%



*Due to the age of the Rental Units, major renovations are needed for 18% of the units causing high vacancies and service calls.*

RENTAL UNITS	FY17	FY18	FY19	% CHANGE
Rental Application processed	85	60	37	(38.33%)
Evictions	31	21	13	(38.10%)
Emergency housing families placed	1	6	9	50.00%
Homeless placed	8	10	3	(70.00%)
Units for major repairs	23	23	26	13.04%
Vacancy rate	22.22%	25.73%	25.85%	0.47%



GHC employees, Brian Asuncion and Randy Barcinas, attended GCA Annual Safety Conference and attained certification.

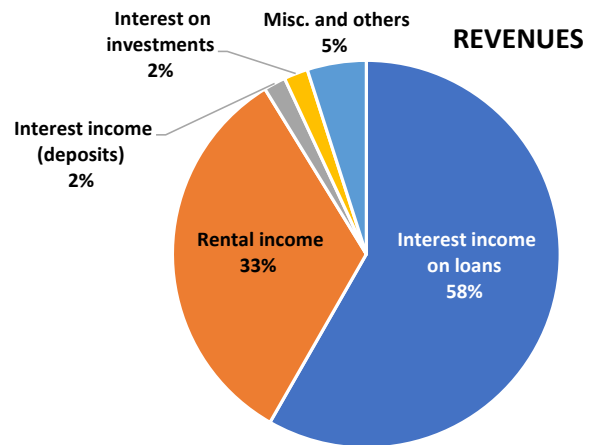
What would you like to see reported on this page? Please let us know by contacting Patricia Kier at [patricia.kier@ghc.quam.gov](mailto:patricia.kier@ghc.quam.gov)

# Our Finances



GHC and Guam Energy Office staff participated in "Active Shooter Training"

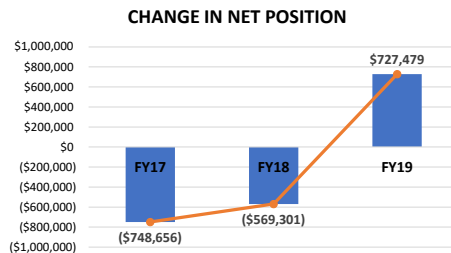
REVENUES	FY17	FY18	FY19	% CHANGE
Interest income on loans	\$1,544,411	\$1,563,068	\$1,534,866	(2%)
Rental income	838,268	754,312	867,991	15%
Interest income (deposits)	19,999	35,341	48,261	37%
Interest on investments	2,775	-28,323	52,720	286%
Misc. and others	153,490	51,685	129,803	151%
<b>Total</b>	<b>\$2,558,943</b>	<b>\$2,376,083</b>	<b>\$2,633,641</b>	<b>11%</b>



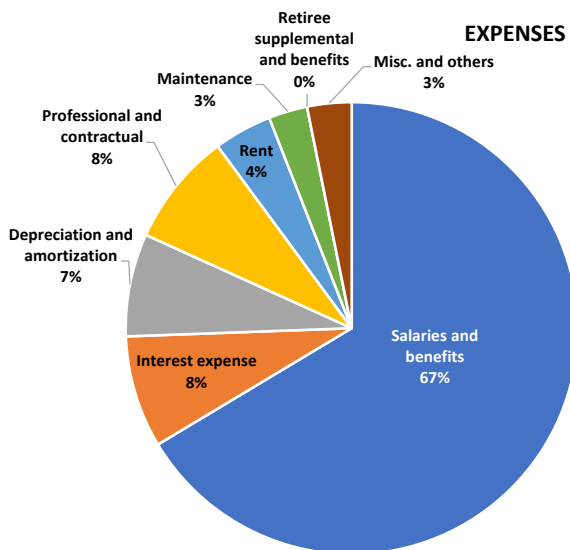
Revenue increased by 11% due to the increase in Rental Income, gain on the sale of property, interest on investments held by bond trustee and interest on bank deposit.



GHC staff participated in "GET YOUR PINK ON"



The Corporation ended fiscal year 2019 with an increase in net income of \$727,479. The increase is attributed to the Other Post-Employment Benefits (OPEB) liability adjustments.



Expense decreased by 35% due to the decrease in Retiree Supplemental & Health Benefits, Professional Services and Loss on Impaired Assets.

EXPENSES	FY17	FY18	FY19	% CHANGE
Salaries and benefits	\$1,591,363	\$1,217,992	\$1,679,884	38%
Interest expense	223,005	213,197	202,973	(5%)
Depreciation and amortization	176,843	179,452	186,037	4%
Professional and contractual	172,389	230,906	205,603	(11%)
Rent	105,054	105,054	105,054	0%
Maintenance	35,025	52,467	70,252	34%
Retiree supplemental and benefits	920,401	792,099	-623,856	(179%)
Misc. and others	83,519	154,217	80,215	(48%)
<b>Total</b>	<b>\$3,307,599</b>	<b>\$2,945,384</b>	<b>\$1,906,162</b>	<b>(35%)</b>

An independent audit was conducted, resulting in a clean audit opinion. Complete financial information can be found at <https://quamhousing.org/financial-statements/>

## Our Challenges

### Affordable Housing Inventory

The availability of homes for purchase in the low to moderate price range greatly decreased making it challenging for approved borrowers to locate and purchase homes in their price range. Safe, insurable homes are currently priced well above what most low to moderate income residents are qualified to borrow. Construction of affordable homes also presents challenges due to the unavailability of skilled labor to build homes being severely impacted by the elimination of H2 Visa workers for Guam. Contractors are finding it increasingly difficult to keep up with the demand for construction contracts and have been unable to commit to and complete contracts for the construction of low to moderately priced residential homes.

### Rental Housing Market

The rental market has seen an upswing in rental rates due to the Military market. The Federal Government pays as much as \$1,374.00 for a 2-bedroom unit and \$1,982.00 for a 3-bedroom unit, effectively pricing the rental market beyond the reach of low to moderate income families. It is essential that GHC bring the full inventory of our affordable rental units on-line in order to make them available to low to moderate income residents.

### COVID-19

The full financial impact of the COVID-19 pandemic on Guam Housing Corporation has yet to be fully realized. Because of the reduction of income to thousands of families due to furloughs or a reduction in work hours, we anticipate that we will see a rise in delinquencies for both the rental and mortgage loan divisions in fiscal year 2020. We are challenged with identifying tools and strategies to assist our tenants and clients in these precarious financial times.

Guam Housing Corporation is reviewing requests for deferments on rental fees or mortgage loan payments on a case by case basis. Research on possible grant funding or programs to assist in mitigating foreclosures or evictions is also ongoing.

## Our Outlook

Guam Housing Corporation is currently working on researching and developing affordable housing through various means to include insurable alternative building systems, application for grant funding to support affordable home and mixed income development, contractor partnerships and commitments to build affordable homes, and rehabilitation of GHC OREOS (Other Real Estate Owned). We continue to be the only lender to finance homes to qualified borrowers on CHamoru Land Trust properties.

Guam Housing Corporation has entered into a partnership with the Guam Community College to utilize GHC rental units as living labs for students under the supervision of licensed professionals. This partnership allows the GHC maintenance team to expand their skillset as they work alongside industry professionals. Adding these units to our rental inventory as quickly and as safely as possible will allow GHC to assist low to moderate income families needing safe and affordable rental housing.



*GHC donated school supplies to our Adopted School, Wettengel Elementary*



*GHC Donations to DOE, "Broken Crayon 2019"*

We want to hear from you. Do you like this report? Do you believe it should include any other information? Please let us know by contacting Patricia Kier at [patricia.kier@ghc.guam.gov](mailto:patricia.kier@ghc.guam.gov)