



Guam Housing Corporation

Kotporasion Ginima' Guåhan

Citizen-Centric Report

Fiscal Year 2022 (October 01, 2021 to September 30, 2022)



Edith C. Pangelinan
President



Angela M. Camacho
Manager

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.

DEMOGRAPHICS	FY 2020	FY 2021	FY 2022	% Change
# of employees	22	24	23	(4%)
# of loans at the end of the fiscal year	341	318	300	(6%)
# of rental units	148	148	148	0%
# of active tenants	104	95	89	(6%)
Average interest rate for first mortgage closed	4.0%	4.50%	4.60%	2%

TABLE OF CONTENTS

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

BOARD OF DIRECTORS

- Francisco Florig
Chairman
- Tomas L.G. Flores
Vice-Chairman
- Lanita B. Tiong
Secretary
- Sandra F. Bordallo
Member
- Mark A. Duarte
Member
- Cecilia G. Mantanona
Member

MANAGEMENT AND STAFF

EXECUTIVE DIVISION

Patricia M.Q. Kier

ADMINISTRATION DIVISION

Cassandra Santos
Arleen A.E. Ada

RENTAL DIVISION

John Potter
Deborah G. Santos
Diana Duenas

ACCOUNTING DIVISION

Alysia Leon Guerrero
Robert Sabang
Mel Aldrian Baldoz
Christine Torres
Lynn M. Arnaiz

LOAN DIVISION

Mary Guerrero
Emily Flores
Susymae Santos
Linda Charfauros
Andrew Molo

MAINTENANCE DIVISION

John W. Muna
Paul B. Techaira
Randy Barcinas
Brian Asuncion
Edward Aguon
Albert Molo



<https://guamhousing.org>



patricia.kier@ghc.guam.gov

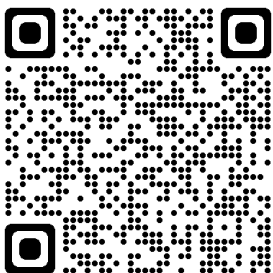
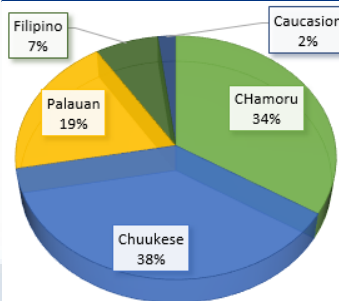


(671) 647-4143



590 South Marine Corps Dr,
ITC Building Suite 514,
Tamuning, Guam 96913

Active Tenant Composition



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

Main Office: 590 South Marine Corps Drive, ITC Building Suite 514, Tamuning, Guam 96913 // Telephone: (671) 647-4143
Rental Office: #370 Lada Avenue, Lada Gardens Dededo, Guam 96929 // Telephone: (671) 632-5660

HOUSING MORTGAGE	FY2020	FY2021	FY2022	% CHANGE
# of mortgages processed	59	164	134	(18%)
# of mortgages approved	10	3	11	267%
# of mortgages closed	10	3	11	267%
# of FTHAP grants processed	41	48	74	54%
# of FTHAP grants approved	40	82	70	(15%)
# of FTHAP grants closed	39	71	69	(3%)
# of mortgage loan payoffs	30	25	30	20%
# of accounts resolved	9	2	6	(200%)
# of accounts foreclosed	0	0	1	100%
Mortgage delinquency rate	15%	11%	13%	18%

RENTAL UNITS	FY2020	FY2021	FY2022	% CHANGE
# of applications processed	11	23	20	(13%)
# of evictions	0	3	2	(33%)
# of families placed on emergency housing	6	3	2	(33%)
# of homeless placed	2	0	0	-
# of units for major repairs	33	33	37	12%
# of maintenance work order requests	430	446	457	2%
# of delinquent accounts	66	58	50	(14%)
Vacancy rate	28%	29%	38%	31%
Rental delinquency rate	13%	9%	9%	0%

GHC LOAN PROGRAMS

REGULAR LOAN PROGRAM

The interest rate is the prevailing rate plus up to 2%.

SIX PERCENT PROGRAM

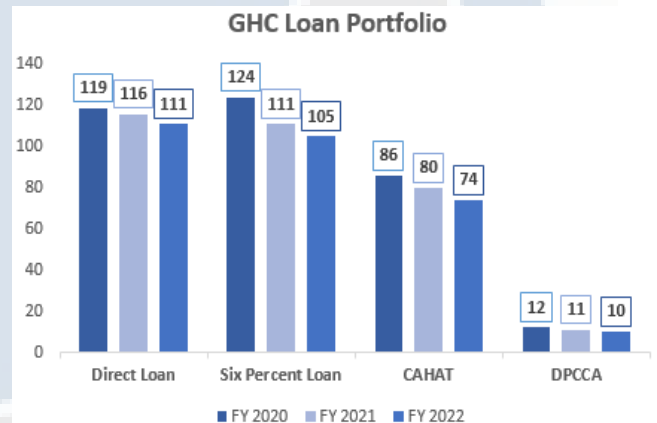
The interest rate is no lower than 4% and no higher than 6% for a term up to 30 years.

COMMUNITY AFFORDABLE HOUSING ACTION TRUST (CAHAT) PROGRAM

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 4% of the total purchase price or construction cost of the home including closing costs not to exceed \$10,000.00. There are currently eleven (11) other participating financial institutions. In fiscal year 2022, sixty-nine (69) families were awarded totaling \$636,618.



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.



GHC held a groundbreaking ceremony for Phase I of the Lada Gardens Renovation Project led by Governor Lou Leon Guerrero and Lt. Governor Joshua Tenorio.

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

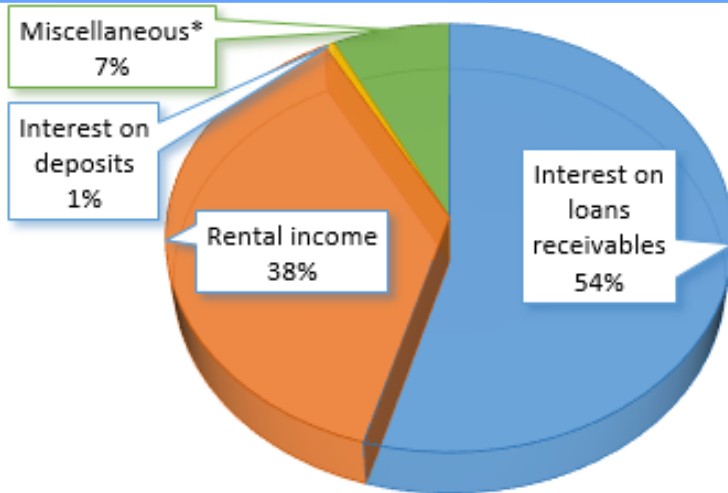
REVENUES	FY 2020	FY 2021	FY 2022	% Change
Interest on loans receivables	\$1,337,222	\$ 1,251,958	\$ 1,190,789	(5%)
Rental income	857,041	974,814	821,831	(16%)
Interest on investments	54,719	3,070	-	100%
Interest on deposits	30,576	2,689	13,698	409%
Gain on sale of foreclosed asset	28,100	80,297	-	100%
Miscellaneous*	20,097	164,050	161,062	(2%)
Total	\$2,327,755	\$ 2,476,878	\$ 2,187,380	(12%)

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

EXPENSES	FY 2020	FY 2021	FY 2022	% Change
Salaries and benefits	\$1,743,330	\$ 1,767,395	\$ 1,551,687	(12%)
Interest expense	192,477	181,530	169,793	(6%)
Depreciation	155,255	149,584	150,733	1%
Professional and contractual services	189,628	187,886	169,137	(10%)
Rent	105,054	105,054	69,312	(34%)
Maintenance	32,801	37,348	48,049	29%
Retiree supplemental and benefits	(365,880)	(473,405)	(480,425)	(1%)
Miscellaneous*	104,968	87,960	145,558	65%
Total	\$2,157,633	\$ 2,043,352	\$ 1,823,844	(11%)

*Miscellaneous expenses include loss on investment held by bond trustee, amortization of right-of-use assets, loss on foreclosed assets, supplies, utilities, advertisements, training, emergency housing, bond trustee fees, director fees, and other expenses.

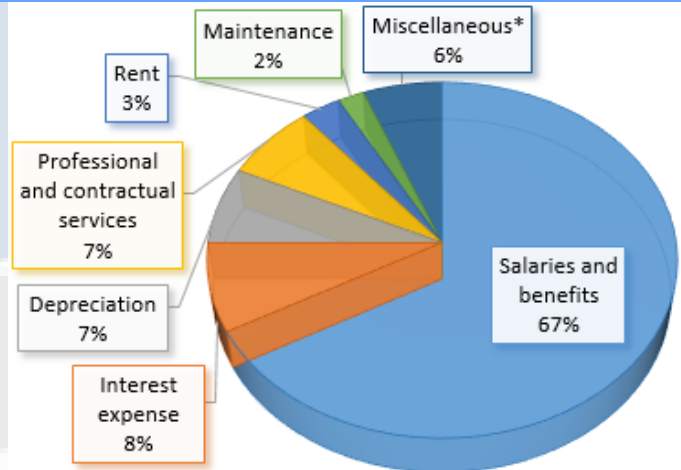
REVENUES



Total revenues decreased by 12% mainly from:

- Rental income due to the increase in vacancies. Major renovations for 23 units started in FY 2022.
- Gain on sale of foreclosed assets. Two properties were sold for a gain in FY 2021, whereas no properties were sold in FY 2022.
- Interest on loans due to decreases in the loan portfolio and weighted average interest rate.

EXPENSES



Total expenses decreased by 11% mainly from:

- Retirement and Medicare contributions due to the decrease in the pension liabilities.

GASB 87 Implementation

Due to the implementation of GASB Statement No. 87 in FY 2022, leases over one year should be recorded as a right-of-use asset and a lease liability, and amortized over the lease term. Notable changes in lease expenditures due to the implementations of GASB 87 were:

- A decrease in rent expense
- An increase in amortization of right-of-use assets, which is included in the miscellaneous category above.



An independent audit was conducted, resulting in a clean audit opinion. Our complete financial information can be found at <https://guamhousing.org/financial-reports/guam-housing-corporation-fy2022-audited-fs-2/>



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 18 GHC units in Dededo and 24 in Yigo.

RENOVATION FUNDING

The 24-unit apartment buildings at Guma As-Atdas, Yigo are in need of complete renovation. GHC is challenged with securing funding to begin and complete the estimated \$2,600,000.00 renovation in order to add to the inventory of affordable rental housing.



GHC gathered to celebrate Mes CHamoru and to honor Mr. Paul Techaira on the occasion of his retirement after 30 years of service to GHC and the Government of Guam.

OUR OUTLOOK

The following are upcoming projects and events for fiscal year 2023.

- Complete the renovation of 23 rental units at Lada Gardens, Dededo.
- Begin the renovation process for an additional 18 rental units at Lada Gardens and Sagan Linahyan, Dededo.
- Apply for a hazard mitigation grant through the Department of Homeland Security/Office of Civil Defense for the installation of typhoon shutters on renovated rental units.



GHC Summer interns were awarded Certificates of Appreciation on their final duty day as part of the Governor's Summer Youth Employment Program.



GHC management and employees gathered to celebrate the service of Government of Guam Workers at the annual Labor Day Picnic at the Governor Joseph Flores Beach Park.

**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.**