



Guam Housing Corporation Kotporation Ginima' Guåhan Fiscal Year 2015 Citizen-Centric Report



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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 125 houses and 24 apartment units for providing rental opportunities for low to moderate income families.

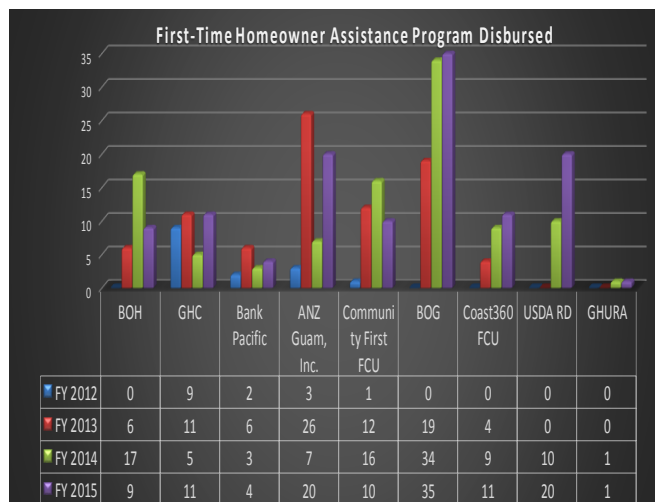
GHC'S GOALS

- 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.

DEMOGRAPHICS

Description	2015	2014
Employees	27	27
Loans at the end of the fiscal year	411	421
Occupied rental units at the end of the fiscal year	120	128
Vacant rental units at the end of the fiscal year	29	21
Units available for rent	149	149
Foreclosed properties held for resale at the end of the fiscal year	5	5

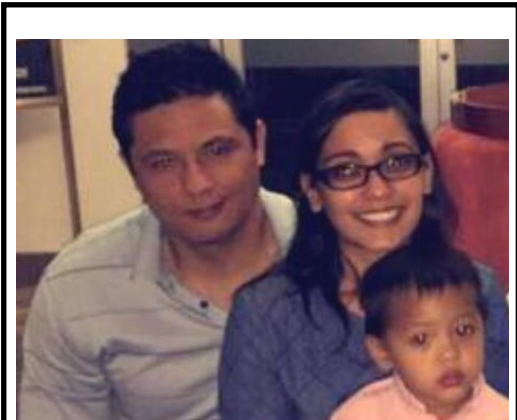
The First-time Homeowners Assistance Program (FTHAP) provides eligible recipients a grant up to \$10,000 to be applied to their down payment and closing costs. The table on the right shows the participating lenders and the amount of grants disbursed with each lender for FY 2012 to FY 2015.



Performance

GHC's 2015 CCR

Description	2015	2014
Housing Division		
Prequalification interviews	438	451
Housing applicants processed	233	116
Loans approved	19	13
Loans closed	14	5
FTHAP grants processed	130	119
FTHAP grants approved	131	115
FTHAP grants disbursed	121	102
Loans processed for Veteran Affairs	1	1
Trust fund disbursements	612	630
Rental Division		
Rental applicants processed	101	73
Applicants approved	65	36
Evictions	11	15
Units renovated	4	4
Responses to service calls	574	490
Emergency housing families assisted	8	7
Homeless families assisted	17	8



I support Guam Housing's Trust Fund program and hope it will continue. It's really hard to get a house. We are in our new house now, so I would like to say thank you very much. (Mr. Joe Suzuki's testimony at GHC's public hearing for the Housing Trust Fund rules and regulations on August 14, 2015.)

Rental Division

Because the Lada rental units are over 50 years old, both major and minor repairs are needed to maintain these homes. The major renovations include changing out worn electrical wiring, impaired interior walls, counter tops, cabinets, tiles, doors and metal louvers to glass windows. A total of eight units have had major renovations since fiscal year 2013 totaling \$398,155 and another 15 units are in need of major repairs. These 15 units are vacant, which is causing part of the high vacancy rate, and are pending funding. As shown in the table above numerous service calls were made for these aged units mostly due to deteriorating plumbing and sewer.



What would you like to see reported on in this page? Please let us know by contacting Alysia Leon Guerrero at 647-4143 ext 130 or email at alysia.leonguerrero@ghc.guam.gov

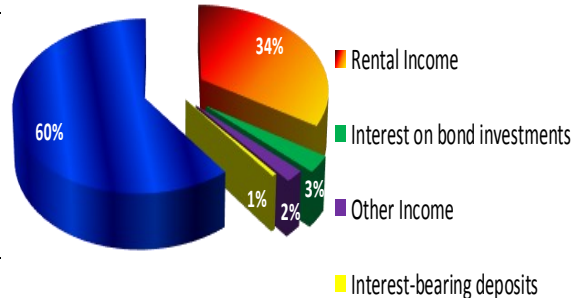
Revenues & Expenses

GHC's 2015 CCR

REVENUE SOURCES

Revenue Sources	FY 2015	FY 2014	% Change
Interest on loans receivable	\$ 1,559,195	\$ 1,619,883	-3.75%
Rental Income	\$ 879,291	\$ 874,671	0.53%
Interest on bond investments	\$ 79,619	\$ 130,489	-38.98%
Other Income	\$ 55,359	\$ 50,781	9.02%
Interest income on deposits	\$ 14,275	\$ 12,564	13.62%
Total Revenue	\$ 2,587,739	\$ 2,688,388	-3.74%

FY 2015



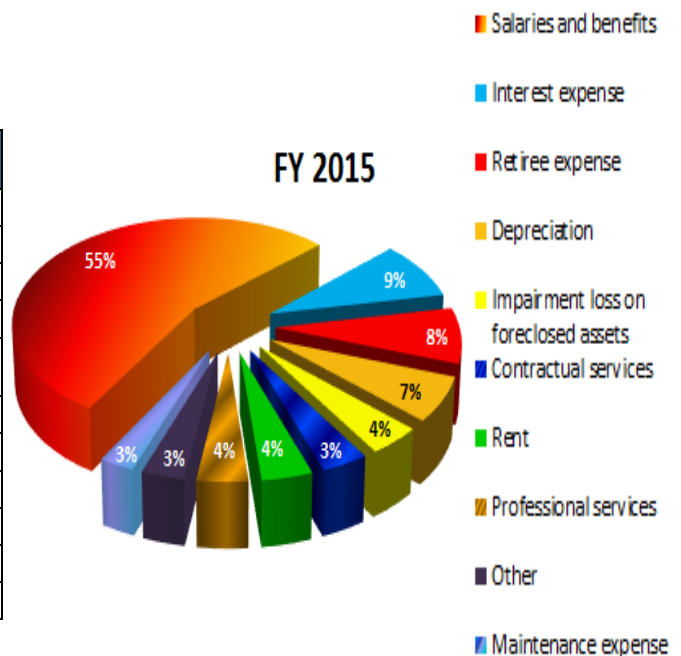
Significant Changes to Revenues

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

EXPENSE

Expenses	FY 2015	FY 2014	% Change
Salaries and benefits	\$ 1,484,781	\$ 1,799,393	-17.48%
Interest expense	\$ 241,017	\$ 282,132	-14.57%
Retiree expense	\$ 224,961	\$ 168,854	33.23%
Depreciation	\$ 178,360	\$ 169,311	5.34%
Impairment loss on fore-closed assets	\$ 112,210	\$ -	
Contractual services	\$ 96,771	\$ 97,790	-1.04%
Rent	\$ 105,054	\$ 105,054	0.00%
Professional services	\$ 105,143	\$ 83,660	25.68%
Other	\$ 89,010	\$ 75,761	17.49%
Maintenance expense	\$ 72,773	\$ 59,564	22.18%
Total Expenses	\$ 2,710,080	\$ 2,841,519	-4.63%

FY 2015



Significant Changes to Expenditures

Retiree expense increased due to the increase in medical, dental & life insurance and the Cost of Living Allowance (COLA).

Loss on impaired assets was recorded in fiscal year 2015 due to the decrease in appraisal value of two of the fore-closed properties.

The increase in Professional Services was due to the payment of \$21,275 for a former employee's attorney fee.

An independent audit was conducted, resulting in a clean audit opinion. To view the complete audited financial statements, visit <http://guamhousing.org/>.

Challenges Moving Forward

GHC's 2015 CCR

1. The Housing Trust Fund Initiative,

A. Funding:

GHC has come a long way in garnering strong support from many of the major players in obtaining a permanent funding source in favor of the "Housing Trust Fund Act". It is accepted that these programs are of great importance in solving many of Guam's housing problems.

GHC has investigated the funding sources as practiced in other housing trust fund programs across the country including the use of:

- Escheated funds
- Interest on Tenant Security Deposit
- Penalties on late payment of Real Property taxes
- Fees on the transfer of Real Property

B. Programs:

There are home or housing problems that other lenders, non-profit housing corporations or HUD can not help with and that is where Guam Housing Corporation steps in;

- First-Time Home-Owner Assistance program
- Solutions for the island's homeless families
- Funding Land Trust applicants
- Financing alternative building systems
- Financing for first time home-owners, who have not been accepted by other lenders, etc.

All of which, plus others, are in use successfully across the country, however the funds in many of the sources noted above are already being used for other programs or otherwise out of reach.

GHC is appreciating a measured progress in securing a solid funding source in ensuring the success of the Housing Trust Fund Act, and its housing programs, however, there is still a long way to go.



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. The first of many model homes have been completed with more soon to follow. These alternative buildings will make the Guamanian dream of home ownership a reality for many.

Visit our website at guamhousing.org



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