





I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 25-37 (COR)

Introduced by:

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AN ACT TO *ADD* A NEW ARTICLE 11, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE AFFORDABLE HOUSING INFRASTRUCTURE DEVELOPMENT LOAN PROGRAM AND *AMEND* SECTION 41003, ARTICLE 10, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED RELATIVE TO THE HOUSING TRUST FUND AUTHORIZED PROGRAMS.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** Guam faces unique challenges
3 when it comes to housing. One major issue is the high cost of living on the island,
4 which makes it difficult for many residents to afford adequate housing. This is
5 compounded by a lack of affordable housing options, as the majority of available
6 housing is geared towards military personnel, rather than local residents.

7 The affordable housing crisis on Guam is a growing issue that needs to be
8 addressed. With the high demand for housing units and low inventory, the market
9 has become increasingly competitive. In 2021, Guam's housing market recorded an
10 all-time new high, with prices continuing to increase as the demand for housing

1 grows. As a result of this shortage, many people are unable to find affordable
2 housing and are at risk of becoming homeless if unchecked.

3 A primary factor of this issue lies with a lack of developed land. The island is
4 relatively small and densely populated, making it difficult to find land with
5 infrastructure to build new housing, therefore driving up the cost of homeownership
6 to residents of Guam.

7 *I Liheslatura* finds that residents of Guam who lease land from the Chamorro
8 Land Trust are faced with the high cost of connecting their homes to utility services.
9 The Land Trust leases land for residential use, but the infrastructure for utilities such
10 as electricity, water, and sewage is often not in place, or inadequate. This can be a
11 significant obstacle for residents who are trying to build or improve their homes and
12 can greatly increase the cost and time required to get the utilities hooked up.
13 Additionally, many of the land trust properties are located in rural areas, which can
14 make it even more difficult to connect to utility services, further exacerbating the
15 problem.

16 This Act recognizes the right of Guam’s landowners to reside in a safe and
17 healthy home by creating an infrastructure development loan program that is easily
18 accessible and cost-effective. Through this initiative, we aim to empower families
19 with the resources needed for building homes conducive with this intent.

20 **Section 2.** A new Article 11 is hereby *added* to Chapter 4 of Title 12, Guam
21 Code Annotated, to read:

22 **“Article 11**

23 **AFFORDABLE HOUSING INFRASTRUCTURE**

24 **DEVELOPMENT LOAN PROGRAM.**

25 §41101. Establishment and Title.

26 §41102. Purpose.

27 §41103. Affordable Housing Infrastructure Loan Program.

1 §41104. Funding for Authorized Loans.

2 §41105. Administration.

3 **§41101. Establishment and Title.** There is hereby created the
4 Affordable Housing Infrastructure Development Loan Program (Loan
5 Program).

6 **§41102. Purpose.** The purpose of the Loan Program is to support the
7 affordability and accessibility of developing utility infrastructure on
8 residential properties on Guam. The Loan Program shall be available to first-
9 time homeowners or CHamoru Land Trust leaseholders.

10 **§41103. Affordable Housing Infrastructure Loan Program.** The
11 Affordable Housing Infrastructure Loan Program shall be among the
12 authorized programs administered by the Guam Housing Corporation to
13 support the build-out of all utility infrastructures on residential properties on
14 Guam.

15 (a) The loan program shall be for up to 100% financing of the total
16 cost of the utility development, meaning power, water, and/or
17 sewer.

18 (b) Such loans shall be made from the any funds available to the
19 Guam Housing Corporation, which may include the Housing
20 Trust Fund and upon such terms and conditions and under such
21 rules and regulations as the Board may prescribe.

22 (c) It is the intent of *I Liheslatura* that such loans may be made
23 available to first-time homeowners and CHamoru Land Trust
24 leaseholders whether or not adequate financing is available on
25 reasonable terms from a lending agency with priority given to
26 CHamoru Land Trust leaseholders.

1 (d) The government shall provide Interest Free Loans specifically
2 for CHamoru Land Trust leaseholders with loan terms mirroring
3 the terms of their lease agreement with the government in as far
4 as remaining years in their land lease.

5 **§41104. Funding for Authorized Loans.** Funding for Affordable
6 Housing Infrastructure Development Loan Program shall be identified by the
7 GHC pursuant to § 41003 of the Housing Trust Fund Act, and is subject to
8 appropriate legislative authorization and approval. I Liheslatura may, from
9 time to time, make appropriations to the Fund to be used for programs
10 authorized by the GHC Board of Directors, and approved by I Liheslatura in
11 accordance with this Act. I Liheslatura may enact laws specifically
12 designating revenue sources, which shall be deposited directly into the Fund.

13 **§41105. Administration.** The Affordable Housing Infrastructure
14 Development Loan Program shall be administered by the Guam Housing
15 Corporation (GHC). The GHC shall:

16 (a) Develop and implement appropriate rules, procedures,
17 guidelines, and regulations for the proper operation of the Loan
18 Program, including the necessary internal controls over the Loan
19 Program.

20 (b) Review requests for funding of Loan Program applications and
21 make program funding recommendations pursuant to §41103 of
22 this Act.

23 (c) Prepare and submit an annual report to I Maga'hagan Guåhan
24 and the Speaker of I Liheslaturan Guåhan concerning the
25 administration and activities of the Loan Program.

26 **Section 3. Rules and Regulations.** Notwithstanding any provision
27 of the Guam Administrative Adjudication Law, the President of the Guam

1 Housing Corporation shall, within sixty (60) days of the enactment of this
2 Act, promulgate rules and regulations to implement the Loan Program, and
3 shall transmit such rules and regulations to the Speaker of I Liheslaturan
4 Guåhan.”

5 **Section 3.** Section 41003, Article 10, Chapter 4, Title 12, Guam Code
6 Annotated is hereby *amended*, to read:

7 **“§ 41003. Housing Trust Fund Authorized Programs.** Programs
8 established or planned to be established by the GHC and funded through the
9 Housing Trust Fund *shall* require appropriate legislative action and
10 authorization. Before such legislative action and authorization, the GHC *shall*
11 provide a written report of each program established or planned to be
12 established by the GHC to the Speaker of *I Liheslaturan Guåhan*. Such report
13 shall detail the funding mechanism(s) or source(s) to fund each program, the
14 missions, objectives, and goals of each program, the annual amount necessary
15 to fund each program, descriptions of the targeted population such program
16 intends to assist, use or inclusion of any Chamorro Land Trust properties in
17 achieving the missions, objectives, and goals of each program, and any other
18 information *I Liheslaturan Guåhan* sees fit in determining the viability,
19 feasibility, and necessity of such programs.

20 (a) Authorized Program #1 - the First-time Homeowner Assistance
21 Program established by Article 7, Chapter 4, Title 12 of the Guam Code
22 Annotated is hereby and approved by *I Liheslaturan Guåhan* and funded by
23 the Housing Trust Fund established herein.

24 (b) Authorized Program #2 – the Pilot Housing First Program
25 established by the Guam Housing Corporation pursuant to §§ 127115(h) and
26 127116(g) of Chapter 127, Title 11 GCA. Notwithstanding any provision of
27 the Guam Administrative Adjudication Law, the President of the Guam

1 Housing Corporation *shall*, within sixty (60) days of the enactment of this
2 Act, promulgate rules and regulations to implement the Loan Program, and
3 shall transmit such rules and regulations to the Speaker of *I Liheslaturan*
4 *Guåhan*.

5 (c) Authorized Program #3 – The Affordable Housing Infrastructure
6 Development Loan Program established by Article 11, Chapter 4, Title 12 of
7 the Guam Code annotated.

8 **Section 4. Rules and Regulations.** Notwithstanding any provision
9 of the Guam Administrative Adjudication Law, the President of the Guam
10 Housing Corporation *shall*, within sixty (60) days of the enactment of this
11 Act, promulgate rules and regulations to implement the Loan Program, and
12 shall transmit such rules and regulations to the Speaker of *I Liheslaturan*
13 *Guåhan*.”

14 **Section 4. Severability.** If any provision of this Act or its application to any
15 person or circumstance is found to be invalid or contrary to law, such invalidity shall
16 not affect other provisions or applications of this Act which can be given effect
17 without the invalid provision or application, and to this end the provisions of this
18 Act are severable.

19 **Section 5. Effective Date.** This Act shall be effective upon enactment.