

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session
VOTING RECORD

Bill No. 348-36 (LS) As amended by the Committee on General Government Operations, Appropriations, and Housing; and further amended on the Floor.	Speaker Antonio R. Unpingco Legislative Session Hall Guam Congress Building December 16, 2022
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NAME	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused
Senator V. Anthony Ada	✓					
Senator Frank Blas Jr.	✓					
Senator Joanne Brown	✓					
Senator Christopher M. Dueñas	✓					
Senator James C. Moylan	✓					
Vice Speaker Tina Rose Muña Barnes	✓					
Senator Telena Cruz Nelson	✓					
Senator Sabina Flores Perez	✓					
Senator Clynton E. Ridgell	✓					
Senator Joe S. San Agustin	✓					
Senator Amanda L. Shelton	✓					
Senator Telo T. Taitague	✓					
Senator Jose “Pedo” Terlaje	✓					
Speaker Therese M. Terlaje	✓					
Senator Mary Camacho Torres	✓					

TOTAL

15

0

Aye

Nay

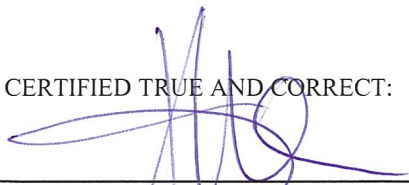
**Not
Voting/
Abstained**

**Out
During
Roll Call**

Absent

Excused

CERTIFIED TRUE AND CORRECT:



 RENNAE W.C. MENO
 Clerk of the Legislature

I = Pass

I MINA 'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

Bill No. 348-36 (LS)

As amended by the Committee on General Government Operations,
Appropriations, and Housing; and further amended on the Floor.

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Introduced by:

Telo T. Taitague
Frank Blas, Jr.
Clynton E. Ridgell
V. Anthony Ada
Sabina Flores Perez
Joanne Brown
Joe S. San Agustin

**AN ACT TO *ADD* A NEW § 58128.7 TO ARTICLE 1 OF
CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED,
RELATIVE TO MITIGATING THE HOUSING
AFFORDABILITY CRISIS BY AUTHORIZING TAX
INCENTIVES FOR ELIGIBLE BUSINESS ENTITIES
THAT CONSTRUCT A MINIMUM NUMBER OF
AFFORDABLE HOUSING UNITS; TO CREATING THE
AFFORDABLE HOUSING ASSISTANCE FUND; AND TO
REQUIRING THE DEPOSIT OF AFFORDABLE
HOUSING BUSINESS PRIVILEGE TAX PAYMENTS
INTO THE *AFFORDABLE HOUSING ASSISTANCE
FUND*.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the price for a single-family home continues to increase and is becoming out of
4 reach to many families who are already struggling with higher food, fuel, healthcare,
5 and energy costs.

1 According to an article published by a local media company on October 3,
2 2022, Guam’s new median price for a single-family dwelling reached Four Hundred
3 Twenty-six Thousand Dollars (\$426,000) – a substantial increase from the median
4 price of Two Hundred Ninety-nine Thousand Dollars (\$299,000) in pre-pandemic
5 2019, and Three Hundred Thirty-five Thousand Five Hundred Dollars (\$335,500) in
6 2020; and the 2022 figure represents a twelve percent (12%) increase from Three
7 Hundred Eighty Thousand Dollars (\$380,000) in 2021.

8 Based on data that the Guam Housing and Urban Renewal Authority
9 (GHURA) provided to the Guam Legislature in October 2021, there were twelve
10 thousand seven hundred (12,700) individuals and their families living in various
11 GHURA public housing; and there were also two thousand eight hundred seventy-
12 five (2,875) individuals and families, including four hundred eight (408) senior
13 citizens, registered on the agency’s wait list for Section 8 housing opportunities.

14 Additionally, the 2020 Guam Homeless Point-in-time Final Count was
15 released in April of 2021 and revealed there were six hundred eighty-two (682)
16 unsheltered homeless persons whose primary nighttime residence is a public or
17 private place not designed or ordinarily used as a regular sleeping accommodation
18 for human beings, including a car, park, abandoned building, bus, and other sites.

19 It is, therefore, the intent of *I Liheslatura* to help mitigate the local housing
20 affordability crisis by facilitating the much-needed development of affordable
21 housing units. Through this Act, eligible developers, including construction
22 companies that may have fewer resources and a limited number of skilled laborers,
23 may avail themselves of affordable housing tax benefits in exchange for constructing
24 no less than five (5) affordable housing units.

25 Business entities that engage in the development of not less than five (5) but
26 fewer than twenty-five (25) affordable housing units – a threshold authorized
27 previously by Public Law 23-135, shall have their business privilege tax (BPT)

1 payments deposited into the *Affordable Housing Assistance Fund*; and the Fund shall
2 operate as a revolving fund to support down payments and other closing costs
3 requirements for eligible first-time borrowers whose loan application received
4 approval from a financial institution licensed to operate on Guam.

5 *I Liheslatura* intends to utilize the authority granted through this Act to assist
6 families in securing safe and affordable homes in the face of unprecedented inflation
7 and arguably an economic recession. *I Liheslatura* recognizes that by directing
8 resources such as tax incentives toward affordable housing development,
9 particularly during these uncertain times, these initial and critical investments will
10 serve as an economic multiplier through the development and expansion of other
11 businesses, including, but not limited to, grocery and retail stores,
12 telecommunication providers, and restaurants. Between 2012 and 2022, \$6.3 Million
13 Dollars in first-time homeowner assistance program grants issued by the Guam
14 Housing Corporation to seven hundred eighty-four (784) families yielded
15 approximately \$153 Million Dollars in additional economic activity through services
16 associated with real estate, banking, escrow, appraisers, and title insurance business
17 transactions.

18 **Section 2.** A new § 58128.7 is *added* to Article 1 of Chapter 58, Title 12,
19 Guam Code Annotated, to read:

20 **“§ 58128.7. Development of Fewer than Twenty-five (25)**
21 **Affordable Housing Units.**

22 (a) A rebate of up to one hundred percent (100%) of all income tax
23 paid to the government of Guam by a Beneficiary on income received from
24 the construction of affordable housing in Guam may be issued for a period not
25 to exceed twenty (20) consecutive years from the effective date of a
26 Qualifying Certificate. The Beneficiary may be a developer, contractor, or
27 subcontractor, or a combination of two (2) or more thereof so long as all the

1 income the subject of the rebate is from, is derived from the construction of
2 not less than five (5) but fewer than twenty-five (25) affordable housing units.

3 Additionally, the Beneficiary is authorized to claim up to one hundred
4 percent (100%) in use tax exemptions with respect to constructing, furnishing,
5 and equipping each new affordable housing unit. The exemption shall be
6 claimed no later than one (1) year from the issuance of each affordable
7 housing unit's occupancy permit.

8 *Affordable* where used in this Section shall be up to one hundred thirty
9 percent (130%) and less of the median income average threshold as published
10 annually by the U.S. Department of Agriculture. The income threshold
11 established herein may be adjusted by the Guam Housing Corporation in
12 consultation with GEDA from time-to-time through an approved board
13 resolution consistent with recommendations from the Guam Housing and
14 Urban Renewal Authority and/or federal agencies, including, but not limited
15 to, the U.S. Department of Housing and Urban Development and the U.S.
16 Department of Agriculture.

17 (b) The Guam Economic Development Authority in consultation
18 with the Guam Housing Corporation shall have the sole authority to negotiate
19 the terms of the tax incentives authorized by this Section and other provisions
20 of Chapter 58, Title 12, Guam Code Annotated, which are applicable to the
21 development of affordable housing. The provisions of this Section shall be
22 treated independent of the affordable housing tax benefits previously
23 authorized by Public Law 23-135 for the development of no less than twenty-
24 five (25) affordable housing units. Negotiations shall be completed prior to
25 the issuance of the affordable housing unit's building permit.

26 (c) Notwithstanding any other provision of law, the Beneficiary's
27 business privilege tax (BPT) payments connected to the construction of

1 affordable housing units pursuant to this Section shall be deposited into the
2 *Affordable Housing Assistance Fund* as established herein. The BPT
3 payments authorized herein shall not affect the levy of three percentage points
4 (3%) out of the total percentage points levied from time to time, of the BPT
5 (the “Pledged Privilege Tax Revenues”), the revenues from which are pledged
6 to the government of Guam Business Privilege Tax Bonds (the “BPT Bonds”);
7 provided, that payments made be made from the Pledged Privilege Bonds in
8 accordance with Section 5.02(E) of the Indenture, dated as of December 1,
9 2011, as amended from time to time, relating to the Bonds (the “BPT Bond
10 Indenture”), and in a manner otherwise consistent with the BPT Indenture.
11 The *Affordable Housing Assistance Fund* shall be used as a revolving funding
12 source to assist first-time borrowers with down payments and other closing
13 costs. Borrowers must supply the Guam Housing Corporation with written
14 documentation evidencing loan approval by a financial institution licensed to
15 operate on Guam. Each qualified borrower shall be eligible to receive no more
16 than an amount equal to the total BPT value paid by the beneficiary for the
17 construction of affordable housing units.

18 The Guam Housing Corporation in consultation with GEDA shall
19 develop an application process and the appropriate rules and guidelines
20 necessary to facilitate BPT deposits and financial assistance for down
21 payment and other closing costs for qualified first-time home borrowers who
22 shall be prohibited from receiving benefits from more than one (1) affordable
23 housing assistance program administered by the government of Guam. Each
24 payment shall be made to a financial institution through escrow and only after
25 the borrower has met all eligibility requirements established by the Guam
26 Housing Corporation.

1 (d) There is hereby created, separate and apart from all other funds,
2 the *Affordable Housing Assistance Fund* (Fund) which shall be administered
3 by the Guam Housing Corporation. The deposits into the Fund shall not be
4 commingled with any other funds of the Guam Housing Corporation and any
5 other appropriations made to the agency, and shall be kept in a separate bank
6 account. The Fund shall be audited annually and the Guam Housing
7 Corporation is required to prepare and submit an annual report to *I*
8 *Maga'hågan Guåhan* and the Speaker of *I Liheslaturan Guåhan* concerning
9 the administration and activities of the Fund.”

10 **Section 3. Severability.** If any provision of this Act or its application to any
11 person or circumstance is found to be invalid or inorganic, such invalidity shall not
12 affect other provisions or applications of this Act that can be given effect without
13 the invalid provision or application, and to this end the provisions of this Act are
14 severable.

15 **Section 4. Effective Date.** This Act shall be effective upon enactment.