



*Territory of Guam*  
*Territorio de Guam*

P.L. 19-25

10-26-88

OFFICE OF THE GOVERNOR  
L. FISIAN T. MAGALAHI  
AGANA, GUAM 96910 U.S.A.

OCT 20 1988

The Honorable Franklin J.A. Quitugua  
Speaker, 19th Guam Legislature  
PO Box CB-1  
Agana, GU 96910

Dear Mr. Speaker:

It is my pleasure to transmit to you Bill No. 5, which I have signed into law as Public Law 19-25.

The Bill corrects a gross malfeasance which had victimized the residents of the GHURA 500 housing. To own one's own home has long been called "The American Dream" but the shoddy construction had turned the dream into a nightmare.

Electrical shorts, leaking pipes and cracking walls were plaguing these residents, who bought these homes in good faith only to find out their dream had been sold down the river.

As you know, I co-sponsored, along with Senator Joe T. San Agustin, this measure back in the 17th Guam Legislature and renewed the call to address this unfortunate situation in the 18th. I am pleased Senator San Agustin was able to "pick up the gauntlet" and continue pushing for this measure and I am pleased to now be able to sign this bill into law.

I would also like to congratulate Assistant Commissioner of Dededo, Mr. Joe Rivera, for his hard work and determination in helping to bring this relief legislation to fruition for his people.

Sincerely,

*Joseph F. Ada*  
JOSEPH F. ADA  
Governor

TO	INITIAL	DATE
<i>Spk</i>		
<i>Gov</i>		
<i>Secy</i>		
<i>Asst Secy</i>		
<i>Gov</i>		
<i>Gov</i>		
<i>PLS</i>		

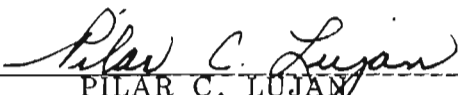
NINETEENTH GUAM LEGISLATURE  
1988 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

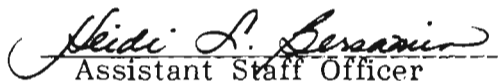
This is to certify that Substitute Bill No. 5 (COR), "AN ACT MAKING AN APPROPRIATION FOR REPAIR OF CERTAIN GHURA 500 HOMES," was on the 7th day of October, 1988, duly and regularly passed.

  
FRANKLIN J. A. QUITUGUA  
Speaker

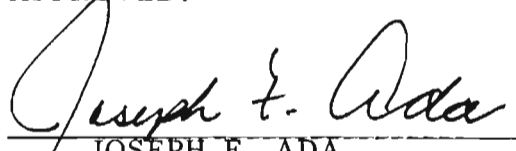
ATTESTED:

  
PILAR C. LUJAN  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 12<sup>th</sup> day of October, 1988,  
at 3:00 o'clock p.m.

  
Assistant Staff Officer  
Governor's Office

APPROVED:

  
JOSEPH F. ADA  
Governor of Guam

Date: 10/20/88

Public Law No. 19-25

NINETEENTH GUAM LEGISLATURE  
1988 (SECOND) Regular Session

Bill No. 5 (COR)  
As Substituted by the  
Committee on Rules and as  
substituted on the Floor

Introduced by:

J. T. San Agustin  
E. P. Arriola  
P. C. Lujan

---

F. R. Santos  
H. D. Dierking  
T. S. Nelson  
M. Z. Bordallo  
F. J. Gutierrez  
M. K. Hartsock  
D. Parkinson  
F. J. A. Quitugua  
A. J. Shelton

AN ACT MAKING AN APPROPRIATION FOR  
REPAIR OF CERTAIN GHURA 500 HOMES.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:  
2 Section 1. Two Million One Hundred Twenty Thousand Dollars  
3 (\$2,120,000) are appropriated from the General Fund to the Guam Housing  
4 and Urban Renewal Authority ("GHURA") to pay Five Thousand Dollars  
5 (\$5,000) to each original owner of a "GHURA 500" home who was not  
6 otherwise compensated through the settlement of claims of certain  
7 homeowners against the contractor for such homes and GHURA. Each such  
8 payment shall represent a full accord and satisfaction of all claims by the  
9 homeowner for the poor construction of the home.

NINETEENTH GUAM LEGISLATURE

ROLL CALL SHEET

Bill No. 5

DATE: 5/1/87

Res. No. \_\_\_\_\_

QUESTION: \_\_\_\_\_

SENATOR	AYE	NAY	NOT VOTING	ABSENT
<u>E. P. Arriola</u>	✓			
<u>J. G. Bamba</u>			✓	
<u>M. Z. Bordallo</u>	✓			
<u>H. D. Dierking</u>	✓			
<u>E. R. Duenas</u>			✓	
<u>E. M. Espaldon</u>			✓	
<u>F. J. Gutierrez</u>	✓			
<u>M. K. Hartsock</u>	✓			
<del>XXXXXXXXXXXXXXXXXXXX</del>	<del>X</del>	<del>X</del>	<del>X</del>	<del>X</del>
<u>P. C. Lujan</u>	✓			
<u>M. D. A. Manibusan</u>			✓	
<u>J. G. Miles</u>			✓	
<u>T. S. Nelson</u>	✓			
<u>D. Parkinson</u>	✓			
<del>XXXXXXXXXXXXXXXXXXXX</del>	<del>X</del>	<del>X</del>	<del>X</del>	<del>X</del>
<u>F. J. Quitugua</u>	✓			
<u>J. M. Rivera</u>			✓	
<u>M. C. Ruth</u>			✓	
<u>J. T. San Agustin</u>	✓			
<u>F. R. Santos</u>	✓			
<u>A. J. Shelton II</u>	✓			

12

7



# NINETEENTH GUAM LEGISLATURE

163 Chalan Santo Papa  
P.O. Box CB-1  
Agana, Guam 96910  
Tel: 472-3425/3426/3427

*Senador*  
*Madeleine Z. Bordallo*  
CHAIRPERSON  
COMMITTEE ON  
HOUSING & COMMUNITY  
DEVELOPMENT

April 12, 1988

**MEMBER:**

- Committee on Justice, Judiciary & Criminal Justice
- Committee on Youth, Human Resources, Senior Citizens & Cultural Affairs
- Committee on Ways & Means
- Committee on General Governmental Operations
- Committee on Health, Welfare & Ecology
- Committee on Energy, Utilities & Consumer Protection
- Committee on Rules

Honorable Franklin J. Quitugua  
Speaker, Nineteenth Guam Legislature  
Post Office Box CB-1  
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Housing and Community Development, to which was referred Bill No. 5, "AN ACT REDUCING THE SALES PRICE OF GHURA 500 LOTS; MAKING AN APPROPRIATION FOR REPAIR OF CERTAIN GHURA 500 HOUSES; AND AUTHORIZING THE REFUND OF CERTAIN PURCHASE FEES," does recommend that the bill be passed by the Nineteenth Guam Legislature.

Votes of the Committee members are as follow:

To Pass	6
To Not Pass	0
To Report Out Only	1
To Place in The Inactive File	0
Abstained	0
Off-Island	2
Not Available	0

Respectfully submitted,

*Madeleine Z. Bordallo*  
MADELEINE Z. BORDALLO

Attachments

19

COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

VOTING SHEET

BILL NO. 5

"AN ACT REDUCING THE SALES PRICE OF GHURA 500 LOTS;  
MAKING AN APPROPRIATION FOR REPAIR OF CERTAIN GHURA  
500 HOUSES; AND AUTHORIZING THE REFUND OF CERTAIN  
PURCHASE FEES."

<u>COMMITTEE MEMBER</u>	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>TO REPORT OUT ONLY</u>	<u>TO PLACE IN INACTIVE FILE</u>
<i>Madeleine Z. Bordallo</i> Madeleine Z. Bordallo Chairperson	✓			
<i>Pilar C. Lujan</i> Pilar C. Lujan Vice-Chairperson	✓			
<i>Elizabeth P. Arriola</i> Elizabeth P. Arriola Member	✓			
<i>off - Island</i> Herminia D. Dierking Member				
<i>off - Island</i> Ted S. Nelson Member				
<i>off - Island</i> Joe T. San Agustin Member				
<i>Ernesto Espaldon</i> Ernesto Espaldon Member	✓			
<i>Jim Miles</i> Jim Miles Member	✓			
<i>Martha C. Ruth</i> Martha C. Ruth Member			✓	

**COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT**

**COMMITTEE REPORT ON BILL NO. 5**

**"AN ACT REDUCING THE SALES PRICE OF GHURA 500 LOTS;  
MAKING AN APPROPRIATION FOR REPAIR OF CERTAIN GHURA 500 HOUSES;  
AND AUTHORIZING THE REFUND OF CERTAIN PURCHASE FEES"**

**PREFACE**

A Public Hearing on Bill 5 was conducted by the Committee on Housing and Community Development on March 7, 1988, at 9:00 a.m. in the Legislative Session Hall.

Members Present: Chairperson Senator Madeleine Z. Bordallo, Vice Chairperson Senator Pilar C. Lujan, Members Senators Elizabeth C. Arriola, Ted S. Nelson, Joe T. San Agustin, and Martha C. Ruth.

Witnesses Heard: Merle Hiller; Jose A. Rivera, Asst. Commissioner of Dededo; Pilar A. Cruz, GHURA; Jose Cepeda

**SUMMARY OF TESTIMONY**

Testimony was received in favor of the bill from the Assistant Commissioner of Dededo and two residents of GHURA homes. GHURA Executive Director Pilar A. Cruz objects to the bill, as it does not provide for an appropriate compensation for those homeowners who are both properly the object of public assistance programs and have borne the cost of repairing defective structures. Over one hundred GHURA residents attended the hearing in support of the bill, as discussed.

**COMMITTEE FINDINGS/RECOMMENDATIONS**

The Committee finds this attempt to compensate GHURA-500 homeowners for defective construction to be commendable. There may be improvement made on the language of the bill when it is discussed by the entire body.

The Committee reports out Bill No. 5 to pass.

**ATTACHMENTS**

1. Committee Voting Sheet on Bill No. 5.
2. Bill No. 5.
3. Testimony by GHURA Executive Director Pilar A. Cruz.
4. Attendance Sheet.

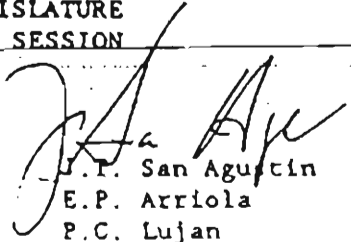
Introduced

JAN 15 '87

NINETEENTH GUAM LEGISLATURE  
1987 (FIRST) REGULAR SESSION

Bill No. 5 (COR)

Introduced by:

  
J. P. San Agustin  
E. P. Arriola  
P. C. Lujan  
F. R. Santos  
H. D. Dierking  
T. S. Nelson  
P. C. Sanchez

AN ACT REDUCING THE SALES PRICE OF GHURA 500 LOTS;  
MAKING AN APPROPRIATION FOR REPAIR OF CERTAIN GHURA  
500 HOUSES; AND AUTHORIZING THE REFUND OF CERTAIN PURCHASE FEES.

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Subsection (c) of Section 13956.3 of the Government Code is amended to read:

"(c) Each lot shall be sold for ~~Two Thousand Five Hundred Dollars~~ (2,500) One Dollar (\$1.00) ."

Section 2. Such sums as are necessary are appropriated from GHURA 500 Lot Sale Fund to Guam Housing and Urban Renewal Authority for the purpose of paying refunds in the amount of Two Thousand Four Hundred Ninety Nine Dollars (\$2,499) to any purchaser under the provisions of Section 13956.3 of the Government Code prior to the amendment made in this Act.

Section 3. Eight Hundred Forty Eight Thousand Dollars (\$848,000) is appropriated from the General Fund to Guam Housing and Urban Renewal Authority for the purpose of paying the sum of Two Thousand Dollars to each homeowner of a GHURA 500 house who was not compensated through the settlement of claims of certain homeowners against the contractor and GHURA. The two thousand dollar payment shall be to compensate the homeowner for the poor construction of the home.



GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
POST OFFICE BOX CS  
AGANA, GUAM 96910

March 7, 1988

Honorable Madeleine Z. Bordallo  
Chairperson, Committee on Housing  
& Community Development  
Nineteenth Guam Legislature  
Agana, Guam 96910

Madame Chairperson and Members of the Committee:

The following are our comments and observations on Legislative Bill No. 5:

1. Reduction of sales price of GHURA 500 lots from \$2,500 to \$1.00

The current sales price of \$2,500 is still far below the fair market value and homeowners have had no difficulties meeting the purchase price. From 1983 to 1987, there were 138 lots sold or an average of 35 lots per year. The current fair market value of real property on GHURA 500 lots is \$7,000.

It is interesting to note that homeowners have been able to sell their houses at an 80% profit on the open market after purchasing the lots. The average sales price of GHURA 500 homes ranges between \$48,000 to \$58,000. As recent as last month, the Authority has received four additional requests from GHURA 500 homeowners to purchase lots with the intent of selling their property on the open market.


We are concern with the section of the Bill requiring reimbursement of payments on the sale of GHURA 500 lots. Such reimbursement by the government would augment the profit already made by the many homeowners who have sold their homes on the open market. Perhaps the Bill should be amended to preclude reimbursement to those (original) homeowners who have since sold their real property.

2. Appropriation of \$848,000 for the purpose of paying \$2,000 to each homeowner of GHURA 500 houses who was not compensated through the settlement of claims

We recommend that GHURA be given the authority to determine eligibility on a case by case basis to prevent inappropriate compensation. We do not believe that it is the intent of the government to compensate homeowners \$2,000 even when there were no damages or poor construction of the homes. We are also concern with those homes that were since

sold and the original owners the recipient of the compensation. Are the new homeowners entitled for compensation on damages and repairs?

Thank you for providing me the opportunity to appear before this committee.

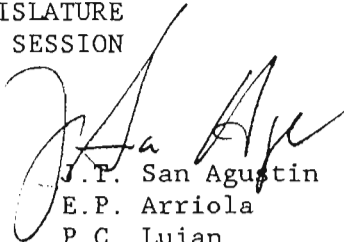
  
PILAR A. CRUZ  
Executive Director



NINETEENTH GUAM LEGISLATURE  
1987 (FIRST) REGULAR SESSION

Bill No. 5 (COR)

Introduced by:



J.P. San Agustin  
E.P. Arriola  
P.C. Lujan  
F.R. Santos  
H.D. Dierking  
T.S. Nelson  
P.C. Sanchez

AN ACT REDUCING THE SALES PRICE OF GHURA 500 LOTS;  
MAKING AN APPROPRIATION FOR REPAIR OF CERTAIN GHURA  
500 HOUSES; AND AUTHORIZING THE REFUND OF CERTAIN PURCHASE FEES.

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Subsection (c) of Section 13956.3 of the Government Code is amended to read:

"(c) Each lot shall be sold for ~~Two-Thousand--Five-Hundred--Dollars~~ (2,500) One Dollar (\$1.00) ."

Section 2. Such sums as are necessary are appropriated from GHURA 500 Lot Sale Fund to Guam Housing and Urban Renewal Authority for the purpose of paying refunds in the amount of Two Thousand Four Hundred Ninety Nine Dollars (\$2,499) to any purchaser under the provisions of Section 13956.3 of the Government Code prior to the amendment made in this Act.

Section 3. Eight Hundred Forty Eight Thousand Dollars (\$848,000) is appropriated from the General Fund to Guam Housing and Urban Renewal Authority for the purpose of paying the sum of Two Thousand Dollars to each homeowner of a GHURA 500 house who was not compensated through the settlement of claims of certain homeowners against the contractor and GHURA. The two thousand dollar payment shall be to compensate the homeowner for the poor construction of the home.