

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2012 (SECOND) Regular Session

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Bill No. 498-31 (000)

Introduced By:

T.R. MUÑA BARNES

**AN ACT TO APPROVE THE TERMS AND CONDITIONS OF
GUAM ECONOMIC DEVELOPMENT AUTHORITY PROJECT
REVENUE BONDS TO FINANCE THE IRONWOOD LADA
SENIOR VILLAGE AFFORDABLE MULTIFAMILY RENTAL
HOUSING DEVELOPMENT.**

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

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that
3 §50103(a) of Title 12 of the Guam Code Annotated declares that there exists in
4 Guam a substantial and serious shortage of housing in all categories, which
5 shortage is inimical to the health and welfare of the residents of Guam and to the
6 economic development of Guam, and provides that the Guam Economic
7 Development Authority ("GEDA") is established in part for the purpose of
8 financing the construction of residential dwellings, including single family
9 dwellings, multiple family dwellings, condominiums and cooperative apartments.

10 *I Liheslaturan Guåhan* further finds that Ironwood Estates Guam
11 Development/Micronesia Community Development Corporation and/or related
12 entities have requested that GEDA issue and sell bonds in an amount not to exceed
13 \$20,000,000.00 for the purpose of financing the acquisition, construction and
14 development of an approximately 200 unit senior multifamily rental housing

1 development to be located in Dededo, Guam, and to be known as Ironwood Lada
2 Senior Village (*the "Project"*), which Project constitutes a "*project*" as defined in
3 Chapter 64 of Title 12 of the Guam Code Annotated.

4 *I Liheslaturan Guåhan* further finds that Chapter 64 of Title 12 of the Guam
5 Code Annotated authorizes GEDA to issue project revenue bonds for the purpose
6 of providing funds, among other things, to make loans and pay or cause to be paid
7 all or any part of the costs of any project, including the Project, and provides that
8 GEDA shall not sell any bond without the approval by *I Liheslaturan Guåhan* of
9 the terms and conditions of the bonds.

10 *I Liheslaturan Guåhan* has determined to approve the issuance of project
11 revenue bonds by GEDA for the purposes described in the preceding paragraph, all
12 subject to approval by *I Maga'låhen Guåhan* and the Board of Directors of GEDA
13 in accordance with law.

14 *I Liheslaturan Guåhan* further finds that §64106 of the Guam Code
15 Annotated provides that, except as otherwise expressly provided by GEDA, project
16 revenue bonds shall be special obligations of GEDA payable solely from the
17 revenues or money of GEDA specified in the resolution or indenture providing for
18 the issuance of such bonds, and that the such project revenue bonds shall not
19 constitute "*public indebtedness*" of the Government of Guam as that term is used
20 in §11 of the Organic Act of Guam. The resolution or indenture under which
21 project revenue bonds approved pursuant to this Act are issued shall provide that
22 such bonds be payable solely from revenues derived from the Project.

23 **Section 2. Approval of the Terms and Conditions of GEDA Project**
24 **Revenue Bonds.** *I Liheslaturan Guåhan*, pursuant to §50103(k) of Title 12 of the
25 Guam Code Annotated, hereby approves the terms and conditions of the issuance
26 of project revenue bonds by GEDA for the purpose of providing financing for the
27 Project, which financing may take the form of a direct loan to the owner of the

1 Project, notwithstanding §50103(i) of the Guam Code Annotated, in accordance
2 with the following requirements, limitations, terms and conditions:

3 (a) The aggregate principal amount of the bonds shall not exceed
4 \$20,000,000.00;

5 (b) The final maturity of the bonds shall not extend 40 years from
6 the delivery date of the bond;

7 (c) The all-in true interest cost of such bonds shall not exceed 7%
8 per annum;

9 (d) The sale of the bonds and the resolution or indenture pursuant
10 to which such bonds are issued shall be approved by the Board of Directors
11 of GEDA and the resolution or indenture pursuant to which such bonds are
12 issued shall be approved by *I Maga'låhen Guåhan* as provided by Chapters
13 50 and 64 of Title 12 of the Guam Code Annotated; *and*

14 (e) Such bonds shall be issued pursuant to a resolution or indenture
15 or providing that the bonds are special obligations of GEDA payable solely
16 from the revenues specified in the such indenture providing, and each bond
17 issued thereunder shall recite that it is not "*public indebtedness*" of the
18 Government of Guam as that term is used in §11 of the Organic Act of
19 Guam.

20 **Section 3. Severability.** If any provisions of this Act or the application
21 thereof to any person or circumstance is held invalid, such invalidity *shall* not
22 affect any other provision or application of this Act which can be given effect
23 without the invalid provision or application, and to this end the provisions of this
24 Act are severable.