

32-13-22



Faith San Nicolas <faith@judiwonpat.com>

**Fwd: GHURA Board of Commissioner Packet - January 15, 2013**

2 messages

**Speaker Won Pat** <speaker@judiwonpat.com>  
To: Faith San Nicolas <faith@judiwonpat.com>

Tue, Jan 15, 2013 at 1:09 PM

Faith,  
Please check with Rennae if this has to be transmitted as part of messages and communications.

Speaker Won Pat

----- Forwarded message -----

From: **Gian Christian S. Tenorio** <gtenorio@ghura.org>  
Date: Tue, Jan 15, 2013 at 12:57 PM  
Subject: GHURA Board of Commissioner Packet - January 15, 2013  
To: speaker@judiwonpat.com  
Cc: rennae@judiwonpat.com

2013 JAN 16 AM 10:21

<<P - January 15, 2013 - Complete.pdf>> Hafa Adai Speaker Won Pat,

Here is the Board Packet for the GHURA's Board of Commissioners meeting  
January 15, 2013.

Have a nice day,  
Gian Christian S. Tenorio  
Administrative Assistant, Administration  
671-475-1377  
gtenorio@ghura.org


The message is ready to be sent with the following file or link  
attachments:

P - January 15, 2013 - Complete

Note: To protect against computer viruses, e-mail programs may prevent  
sending or receiving certain types of file attachments. Check your  
e-mail security settings to determine how attachments are handled.

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***Ufisinan I Etmås Ge'helo'Gi Liheslaturan Guåhan***  
**Office of Speaker Judith T. Won Pat Ed.D.**  
***Kumiten Idukasion yan Laibirihan Publeko***  
Committee on Education and Public Libraries  
155 Hesler Place, Suite 201, Hagatna, Guam 96910  
Tel: (671) 472-3586 Fax: (671) 472-3589  
www.guamlegislature.com / speaker@judiwonpat.com

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868K

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**Faith San Nicolas** <faith@judiwonpat.com>  
To: clerks@guamlegislature.org

Wed, Jan 16, 2013 at 8:53 AM


This is a part of Messages and communications for January 16, 2013. Thanks!

[Quoted text hidden]

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Faith San Nicolas  
Staff Assistant  
Office of Speaker Judith T. Won Pat, Ed.D.  
(T)472-3586  
155 Hesler Place Hagatna, Guam 96910

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BOARD OF COMMISSIONERS  
REGULAR SCHEDULED MEETING  
10:00 A.M., TUESDAY, January 15, 2013  
GHURA's Main Office, 2<sup>ND</sup> Floor, Conference Room, Sinajana  
**AGENDA - REVISED**

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**I. ROLL CALL**

**II. APPROVAL OF PREVIOUS BOARD MINUTES – DECEMBER 27, 2012**

**III. CORRESPONDENCE AND REPORTS** PAGES

1. REAC Inspection Report Amp 4..... 1-2
2. As-Atdas Project Financial Report.....3-5

**IV. OLD BUSINESS**

1. **CONTRACT AMENDMENT**..... (Handout)  
Installation of Solar Lights at the Dededo  
Sports Complex and Fitness Trail
2. **TIME EXTENSION**.....(Handout)  
Expansion of AMP 2 – Office and Maintenance Shop

**V. NEW BUSINESS**

1. **DRAFT 2013 QAP**..... 6-31
2. **RESOLUTION NO. FY 2013-012**..... 32  
Appointment of GHURA Executive Director

**VII. GENERAL DISCUSSION/ANNOUNCEMENT(s)**

1. Gala Report
2. Next Regular Schedule Board Meeting  
10:00 a.m., January 31, 2013

**VIII. ADJOURNMENT**



**BOARD OF COMMISSIONERS  
REGULAR SCHEDULED MEETING  
10:00 A.M., THURSDAY, December 27, 2012  
GHURA's Main Office, 2<sup>nd</sup> Floor, Conference Room, Sinajana  
MINUTES**

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After notice was duly and timely given pursuant to the Open Government Law of Guam and the Bylaws of the Authority, the Board of Commissioners' Regular Scheduled Meeting was held on **December 27, 2012** at the Sinajana Main Office, 2<sup>nd</sup> Floor, GHURA's Conference Room.

**I. ATTENDANCE, QUORUM, AND CALL TO ORDER**

Commissioners present: Mr. David J. Sablan, Chairman,  
Ms. Rosie Ann Blas, Commissioner  
Mr. Luis L. G. Paulino, Commissioner  
Ms. Cecile B. Suda, Commissioner  
Ms. Deanne S. N. Torre, Commissioner  
Mr. Roland M. Selvidge, Commissioner

Legal Counsel: Mr. Mark Smith, Esq.

GHURA Staff: Mr. Mike J. Duenas, Executive Director, Acting  
Mr. Frank J. C. Camacho, Deputy Director  
Ms. Millie L. Taitano, Special Assistant  
Mr. Albert H. Santos, A&E Manager  
Mr. Bernard Lastimoza, Supply Management Administrator  
Ms. Kimberly Bersamin, Human Resource Administrator  
Ms. Philly San Nicolas, AMP 3 Project Site Manager  
Ms. Kathy Taitano, Chief Planner, Acting  
Ms. Linda Castro, Management Analyst IV  
Mr. Gian Christian S. Tenorio, Administrative Assistant

Public: Jean Cordero, Senator Tina Muna Barnes Office  
Dance Aoki, Pacific Daily News

Meeting was called to order at 10:25 a.m. by Chairman Sablan acknowledging the presence of the prior mentioned attendees, and stating a quorum had been established to proceed with the meeting.

Minute No.	Ref. No.	Status of Outstanding Action Items from Prior Meetings	Action By:
	5/13	<u>Action Item – Notice of changes from LIHTC 2011 Awardees</u> Management will review the above changes and then publish the changes as a public notice in the newspapers as required by the IRS regulations.	K. Taitano & A. Santos
	24/13	<u>Action Item – RFP for the Risk Management</u> The Board directed of Management to issue an RFP that will allow GHURA to have Insurance Coverage for an additional year from May 1, 2013 – April 30, 2014, with the language to terminate the coverage at anytime.	B. Lastimoza

Minute No.	Ref. No.	Status of Outstanding Action Items from Meetings	Action By:
	24/13 cont'd	<p>This is to allow GHURA to comprehensively address the long-term coverage plan that will be determined once the assets of GHURA are revaluated and the current risks are assessed.</p> <p>Mr. Lastimoza will conduct negotiations with the firm awarded to conduct the appraisal of GHURA's assets, and to assess the risks it currently faces daily and over the next several years.</p> <p>Timelines for the appraisal and risk assessment will be negotiated to shorten the work; costs for the work will be determined and brought back to the BOC for approval and a proper RFP for long-term insurance coverage be issued and awarded in due course. This whole process is estimated to take about one year, since the risk assessment and inspection of the assets cannot be done till July 2013.</p>	
	48/13	<p><u>Action Item – Risk Manager Contract Funding</u> Report to the Board when the funds are found to be able to complete the project for the Risk Management Services.</p>	B. Lastimoza
	54/13	<p><u>Action Item – Distribution of Mr. Calvo's Resolution</u> The Board directs the Executive Secretary of the Board to send a copy of the Approved Resolution pertaining to the dedication and services of the late Mr. Ricardo A. Calvo to the Governor, Lt. Governor, Speaker of the Legislature, the Chairman of the Guam Legislative Committee, the HUD Field Office and the HUD Main office.</p>	MJD
		<b><u>Start of December 27, 2012 Minutes</u></b>	
		<b>APPROVAL OF PREVIOUS BOARD MINUTES</b>	
58/13		<p><b><u>December 13, 2012</u></b> The Chairman opens the discussion for correction of the previous Meeting's Minutes. After a few grammatical corrections and necessary sentence alterations the Board discussed the unresolved Action Items.</p>	
59/13		<p><u>Risk Manager Services</u> Mr. Lastimoza stated he is working with the staff in Fiscal to find the funding for the contract Risk Manager Services. But he has not committed the Authority to anything until funding is confirmed.</p> <p><u>Action Item</u> The Board requested in the next meeting to have a report as to the status of the funding so a contract could be awarded. There is a timeline to maintain and if the funding is not found this will slow that process.</p>	B. Lastimoza

Minute No.	Ref. No.	Minute	Action By:
60/13		<u>Advertisement for QAP for TOWER 70 LLC AND GREAT HOMES</u> Mr. Duenas stated we are working with Legal Counsel on the language of the QAP and the ads will be published later on this month. Chairman stated he is glad that is happening for so we can be in compliance with the regulations of the Tax Credit allocations.	
61/13		<b><i>After due discussion by the members of the Board. A Motion was made by Commissioner Suda and Seconded by Commissioner Paulino to approve the Minutes of December 27, 2012 subject to the above mentioned corrections. Without any further discussion or objection, the Motion was unanimously approved.</i></b>	
		CORESPONDENCE AND REPORTS	
62/13		<b><u>Attorney General's Office – Procurement Opinion</u></b> Mr. Lastimoza stated he has received several documents from the AGO about how GHURA should handle the procurement for the Agency. The documents from Deputy AG Shannon Taitano show that since GHURA receives all of its funding from the Federal Government it does not get to have a different procurement process from other agencies that receive local funds.	
63/13		Mr. Lastimoza stated he is not sure if Deputy AG Shannon Taitano is aware of the previous legal opinion by former Deputy AG Robert Kono.  <u>Action Item</u> The Board requested of Legal Counsel to draft a response to the opinion sent by Deputy AG Shannon Taitano.  Board discussion continues...	MJD/ M. Smith
64/13		<b><u>REAC Inspection Report – AMPs 3 &amp; 4</u></b> Mr. Duenas stated the AMPs 3 and 4 both had REAC inspections this year and what is being reported to the Board are their scores. AMP 3 lost 11.7 points due to health and safety deductions. AMP 3's final score was 73 points for the REAC Inspection.  Ms. San Nicolas stated the report had a total of 65 citations. With 22 citations being Level 3, 17 citations being Level 2, and 31 citations being Level 1. An example of a Level 3 citation is a blocked egress and that is when a tenant installs a window air-conditioning unit in a one-window bedroom. This was done after the maintenance crew did their REAC sweep and it deducted points from the AMP.  Board discussion continues...	
65/13		<u>Action Item</u> The Board requested to see a report from AMP 4 on how she plans to deal with the REAC Inspection preparation in the next meeting.	MJD, FJCC, B. Nededog

Minute No.	Ref. No.	Minute	Action By:
66/13		<u>Action Item</u> The Board suggested there be a Newsletter passed out every 6 months on how tenants clean and maintain a household so as not have any citations during the REAC Inspections.	MJD, T. Blas, P. Mesa, P. San Nicolas & B. Nededog
67/13		<u>Action Item</u> The Board is requesting to have a 90-day report from the AMPs on how they are maintaining their units and where they are with the REAC Inspection preparation.	MJD
68/13		<u>Action Item</u> The Board requested the Resident Commissioner be notified and be in attendance of the meetings with incoming tenants. Because as the Resident Commissioner he should be aware of the issues the tenants might have with the Authority.	MJD, T. Blas, P. Mesa, P. San Nicolas & B. Nededog
		OLD BUSINESS	
73/13		<u>Action Item</u> The Board requested to have a report of the expenditures incurred by the actions of the Divisions for RP&E and A&E after the MOA was previously approved by the former Executive Director.	A. Santos & K. Taitano
74/13		<b><u>DRAFT QAP</u></b> Mr. Duenas stated the staff has completed the review of the Draft QAP that will be used govern the awarding of Tax Credits for 2013. The Draft QAP will be published on January 4, 2013 for public review. It will be a 30-day public comment period and it should be presented to the Board thereafter, pending any changes that might occur.  Mr. Santos stated some of the changes that have been made are the priority of finding housing for people with disabilities. The QAP will also include stricter requirements for the developers. Helping the Authority get the best developers for our projects. The company has already paid their performance bond for their bid of over \$100,000.  Board discussion continues...	
75/13		<u>Action Item</u> The Board requested to include full disclosure of Company ownership in the QAP. This is due to the fact of the banned participants from the program.	MJD, A. Santos & K. Taitano
		NEW BUSINESS	
76/13		<b><u>INTENT TO AWARD</u></b> <u>Expansion of AMP 4 Maintenance Shop and Parking Area</u> Mr. Santos stated the workshop and office space of AMP 4 is not adequate for the staff and the plan is to expand the area 2,200 sq. ft. This expansion will include the parking area and a drainage upgrade.	

Minute No.	Ref. No.	Minute	Action By:
76/13 Cont'd		The lowest bidder to the project was P&E Construction with a bid of \$125,916.88. When asked if it was feasible to do the project on such a tight budget, the company assured that they could.	
77/13		Board discussion continues...  <b><i>After due discussion by the members of the Board, a Motion was made by Commissioner Selvidge and Seconded by Commissioner Suda to approve the contract to P&amp;E Construction in the amount of one hundred and twenty five thousand nine hundred and sixteen dollars and eighty eight cents (\$125,916.88). Without any further discussion or objection, the Motion was unanimously approved.</i></b>	
		<b>GENERAL DISCUSSION ANNOUNCEMENT(s)</b>	
78/13		<u>Wage and Hour Training</u> Ms. Bersamin stated the training will be held at the AHRD Conference Room on the 3 <sup>rd</sup> Floor of the GCIC Building. There are three dates for the training January 9 <sup>th</sup> , 16 <sup>th</sup> and the 23 <sup>rd</sup> . The training is for 2 hours long and will be conducted from 9 am to 11 am on the prior mentioned dates.  Board discussion continues...	
79/13		<b><u>Next Regular Schedule Board Meeting</u></b> 10:00 a.m., January 15, 2012 Several members of the Board stated they will be unavailable for a meeting on the 10 <sup>th</sup> of January. They discussed times and different dates for the meeting and determined the next meeting will be on January 15, 2013, on a Tuesday.	

ADJOURNMENT

***There being no further business before the Board, a Motion made by Commissioner Blas and Seconded by Commissioner Torre was unanimously agreed upon, and the meeting was adjourned at 12:35 p.m.***

( S E A L )

\_\_\_\_\_  
**MICHAEL J. DUENAS**  
Board Secretary/Executive Director, Acting



SUMMARY:

TOTAL NUMBER OF UNITS: 234  
VACANT UNITS: 9  
INSPECTABLE UNITS: 225

**SCORES:**

	POSSIBLE POINTS	AREA PONTs	H & S DEDUCTION	
SITE	21.2	18.2	0	
BLDG EXT	17.8	16.6	0	
BLDG SYS	13.2	13.2	0	
CA	0.2	0.1	0	
UNITS	47.6	46.2	5.7	
OVERALL	100	94.4	5.7	
FINAL SCORE=AREA POINTS-H&S DEDUCTION				89b

AMP 4 staff worked diligently in preparing the units, site, and building exterior for the inspection.

All 225 units were inspected by the REAC Sweep team.

All deficiencies noted on REAC Sweep inspection report were addressed excluding approximately 15 units at GHURA 48 due to time constraints.

All AMP 4 staff worked on preparing the site and grounds.

There were a total of 24 units inspected. Below is a summary of the noted (OD) observed deficiencies by the Inspector.

1) EHS- There were no Exigent, Health and Safety deficiencies.

2) Level 3 - 14 Observed Deficiencies (OD)

- \* Mildew on ceiling
- \* Water Heater inoperable
- \* Hole on exterior side of building
- \* Damaged door
- \* Water closet inoperable
- \* Peeling paint on door
- \* GFCI outlet inoperable

3) Level 2 - 5 Observed Deficiencies (OD)

- \* Overgrown vegetation
- \* Range
- \* Damaged door
- \* Mildew on ceiling

4) Level 1 - 30 Observed Deficiencies (OD)

- \* Walls stained/peeling/needs painting
- \* Windows missing screens
- \* Windows not lockable
- \* Storage ceiling peeling
- \* Doors damaged
- \* Outlet/Switches missing/broken

PLAN OF ACTION

- 1) Continue with FY2013 Preventive Maintenance and UPCS Inspections
- 2) Housekeeping Inspections are required prior to all Annual Re-certifications however staff will continue to counsel tenants with poor housekeeping and those tenants who fail to report any damages. There is an ongoing problem with tenants not reporting damages due to the fear of being charged.
- 3) Maintenance staff will be required to concentrate on all Health and Safety issues when conducting UPCS inspections.



# GHURA


Guam Housing and Urban Renewal Authority  
Aturidat Ginima' Yan Rinueban Siudad Guahan  
117 Bien Venida Avenue, Sinajana, GU 96910  
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701



Eddie Baza Calvo  
Governor of Guam

Ray S. Tenorio  
Lt. Governor of Guam

## MEMORANDUM

TO GHURA Board of Commissioners  
VIA Acting Executive Director   
FROM Acting Chief Planner  
DATE 04 January 2013  
SUBJECT As-Atdas Project – Financial Reports as of 12/31/2012


Hafa Adai Commissioners and Director,

Provided here for your review are financial reports of funds expended to date on behalf of the As-Atdas affordable housing development. This information was requested during the BoC meeting of 27 December 2012.

The Statement of Revenues and Expenditures report includes actual expenditures of \$13,442.42 for the period 08/24/2012 through 12/31/2012. Footnoted for your information are accrued salaries totaling \$1,230.55 and planned expenditures totaling \$51,145.00 that will be recorded in 2013.

We are available to discuss this report at your leisure.

Respectfully submitted,

  
KATHERINE TAITANO

**GHURA**  
**Balance Sheet**  
**As of 12/31/2012**

**Guam Housing Corporation (GHC) Funds-As Atdas**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year % Change</u>
<b>Assets</b>			
Cash and Cash Equivalents	<u>87,875.56</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Assets</b>	<u>87,875.56</u>	<u>0.00</u>	<u>100.00</u>
<b>Liabilities</b>			
Accrued salaries	<u>1,230.55</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Liabilities</b>	<u>1,230.55</u>	<u>0.00</u>	<u>100.00</u>
<b>Net Assets</b>			
Net Assets	<u>86,645.01</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Net Assets</b>	<u>86,645.01</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Liabilities and Net Assets</b>	<u>87,875.56</u>	<u>0.00</u>	<u>100.00</u>

**GHURA**  
**Statement of Revenues and Expenditures**  
**From 08/24/2012 Through 12/31/2012**

**Guam Housing Corporation (GHC) Funds-As-Atdas**

	Current Period Actual	Prior Year Actual	Current Year % Change
<b>Revenue</b>			
Other Income	100,050.00	0.00	100.00
Interest Income	<u>37.43</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Revenue</b>	<u>100,087.43</u>	<u>0.00</u>	<u>100.00</u>
<b>Expenditures</b>			
Payroll	<u>13,442.42</u>	<u>0.00</u>	<u>100.00</u>
<b>Total Expenditures</b>	<u>13,442.42</u>	<u>0.00</u>	<u>100.00</u>
<b>Net Revenue Over Expenditures</b>	<u>86,645.01</u>	<u>0.00</u>	<u>100.00</u>

**Footnotes:**

- (a) Contract for market study services has been signed. Work will commence 01.07.2012 for a period not exceed 60 calendar days and cost not to exceed \$30,000
- (b) Off-island travel for two staff to attend the National Council of State Housing Agencies (NCSHA) training session on HOME Investment Partnership Program and Low-Income Housing Tax Credit Program. Estimated cost is \$9,025.
- (c) Payroll accrued through PPE 12.15.2012. PPE 12.29.2012 was not accrued as of the report date as payroll data was not available.
- (d) Advertising cost for the market study RFP totaled \$864.
- (e) Environmental review is currently underway and is being performed by Duenas, Camacho, & Associates with a total cost of \$11,257.

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
ATURIDAT GINIMA □ YAN RINUEBAN SIUDAT**

**MEMORANDUM:**

**TO:** Board of Commissioners  
**FROM:** Acting Executive Director   
**SUBJECT:** **Contract Amendment  
Installation of Solar Lightings at the Dededo Sports Complex  
and Fitness Trail**

Pacific Green Integration was recently awarded the contract to install 20 Solar Lighting at the Dededo Sports Complex walking trail. Per Art Mariano the Department of Interior ( see attach email ) has approve the addition of solar lighting along the main route fronting the pool which has no street lights.

Per DOI's approval we are authorized to use the balance of funds available in the amount of \$45,558.00 for the additional poles. Based on the contractors' bid unit cost submitted, which is \$5,724.00 per pole, this will allow us to include 7 additional poles to the walking trail which is adequate to cover the frontage area.

Based on DOI's approval, we are requesting that the Board approves a contract amendment with Pacific Green Intergraded Technology Inc for the addition of 7 solar lighting poles to be added to their contract in the amount of \$40,068.00.

Attachment: email from Art Mariano  
email from Pacific Green confirmation

**Albert Santos**

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**Subject: FW: solar lighting**

-----Original Message-----

**From:** International Technologies, Inc. [<mailto:iti@kuentos.guam.net>]  
**Sent:** Monday, January 07, 2013 2:29 PM  
**To:** Albert Santos  
**Subject:** Re: solar lighting

Hi Al,

I'm still off-island until the end of the month. Wishing you a belated Happy New Year.

We are more than happy to increase the quantity of LED light fixtures/poles for the solar lighting project at the Dededo Sports Complex and Fitness Trail to include the incorporation of such increase into the complete design of the project.

As for the added cost of the increase in quantity of the LED light fixtures/poles, we would be more than happy to peg the unit cost by taking the total bid amount and dividing it by the base bid quantity. Thus,  
 $\$114,480/20 = \$5,724$  per unit light fixture/pole. The only thing we need to know is the actual quantity increase so that we may incorporate it into the design and ordering to the original scope of work. I trust that the unit cost shown above is the same as the unit cost you were alluding to in the submission bid.

Thanks,

Rick

> Hi Rick  
> I know your off island but hoping you'll get this email, we are  
> looking  
at adding additional solar lighting asap, I do hope your staff has started with the design required and would like to include the  
> additional poles in the design ,especially knowing that materials are  
from off island so we want to ensure the quantity ordered includes these additional poles. In your bid submission can I use the unit cost for these additional ploe??? You're feedback is needed asap to process the change order  
> albert

**Albert Santos**

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**Subject:** FW: DOI Grant Project Status Reports (GPSRs) due January 18th, 2013

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**From:** Art Mariano [<mailto:art.mariano@bbmr.guam.gov>]  
**Sent:** Friday, January 04, 2013 9:59 AM  
**To:** Albert Santos  
**Subject:** RE: DOI Grant Project Status Reports (GPSRs) due January 18th, 2013

Yes. We received confirmation from DOI on 12/6/12 that they were okay with the additional lights.

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**From:** Albert Santos [<mailto:alsantos1@ghura.org>]  
**Sent:** Friday, January 04, 2013 9:44 AM  
**To:** Art Mariano  
**Subject:** RE: DOI Grant Project Status Reports (GPSRs) due January 18th, 2013

See attach status, Art can I proceed with the addition of lightings along the main road, need to know soon, contractor will be ordering his materials from off island would like to include the additional poles and lights if possible.



## **Gian Christian S. Tenorio**

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**From:** Albert Santos  
**Sent:** Tuesday, January 08, 2013 3:06 PM  
**To:** Mike Duenas  
**Cc:** Gian Christian S. Tenorio; Millie Taitano  
**Subject:** dededo walking trail amendment  
**Attachments:** DOC086.pdf

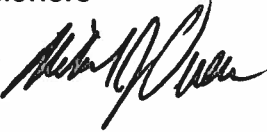
Mike

Just got word last week from Art Mariano that DOI did approve using the remaining doi funds for additional lighting at the pool area, I know that the board package was sent out , is there a way we could do a walk in request for board approval for a contract amendment. Contractor will be issuing their order soon and I just want to take advantage of adding the additional poles at their original bid price, otherwise we might have to pay a little more

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
ATURIDAT GINIMA YAN RINUEBAN SIUDAT**

**MEMORANDUM:**

**TO:** Board of Commissioners

**FROM:** Executive Director 

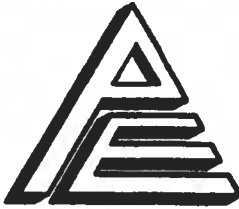
**SUBJECT:** Time Extension  
Expansion of AMP 2, Office Space and Maintenance Shop

P& E Construction is awarded the contract for the expansion of Amp 2's office space and maintenance shop. P& E Construction is requesting a time extension due to delays in permit process. Presently they are waiting on GFD and GEPA to sign off on the design which has gone through several changes.

Attached is their request which indicates that they are concurrently working on other in-shop fabrications such as cutting / forming rebar, and form fabrication until the processing is completed.

Their request for an additional time of 38 days to complete the project is fair and reasonable; given that we didn't include a design time and the delays they are encountering with the permit processing. Based on their request we are requesting that the board approve the time extension needed to complete the expansion of AMP 2's office space and maintenance shop.

Attachment: P & E request



# P & E Construction, Inc.

**GENERAL CONTRACTOR**

January 8, 2013

**Guam Housing and Urban Renewal  
117 Bein Verida Avenue,  
Sinajana GUAM 96910**

**Re: Expansion of AMP 2 office and Maintenance Shop area Yona  
IFB #GHURA 8-20-2012-AMP2**

Dear Mr. Santos

P & E Construction respectfully requests extension of the project completion date from February 11, 2013 to March 30, 2013. The proposed extension mainly attributed to the delays on permitting process. Currently we are awaiting on the following agency, GFD, EPA to sign the permitting. However, rest assured that necessary preparatory works such as rebar fabrication, forms assembly, sliding gate fabrication and other items that we can possibly done within our shop is being made and this will contribute drastic progress on our accomplishment the time we started on the site works.

Below is our projected works schedule for your consideration:

- 1.) Clearing and preparation of parking stalls and SOG ext. at the backside – January 15 to 21, 2013
- 2.) Paving works for parking stalls and conc. Slab extension - Jan 22 to 23, 2013
- 3.) Excavation for footing of office and maintenance shop – Jan 24 to 26, 2013
- 4.) Concreting of floor slab – January 30, 2013
- 5.) CMU walls/block works - February 1, 2013
- 6.) Roofing form works and rebars – February 5 to 11, 2013
- 7.) Roof concreting – February 13, 2013
- 8.) Cement Finishing works - February 15 to February 22, 2013
- 9.) Architectural finishes and fixtures installation – March 5 to 15, 2013
- 10.) Other works necessary to complete the works – March 16 to 30, 2013

Thank you for your consideration of this request.

Sincerely,

  
Alex Rabano  
P&E Construction Inc



# GHURA

Guam Housing and Urban Renewal Authority  
Aturidat Ginima' Yan Rinueban Siudad Guahan  
117 Bien Venida Avenue, Sinajana, GU 96910  
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701



To: GHURA BOARD OF COMMISSIONERS  
Via: Acting Executive Director *[Signature]*  
From: *[Signature]* AVE Manager and Acting Chief Planner *[Signature]*  
Date: January 03, 2013  
Subject: 2013 Low Income Housing Tax Credits (LIHTC) Qualified Allocation Plan

Hafa Adai Commissioners,

Attached is a draft copy of the 2013 LIHTC Qualified Allocation Plan (QAP). Below list summarizes the changes in comparison from the previously issued 2011 QAP.

	Description of Change	2011 QAP	2013 QAP	Page no. in 2013 QAP
1	Reflects 2012 unused amount and 2013 amount	no amount disclosed	\$727,972 (2012 unused) \$2,590,000 (2013)	1
2	Replaced wording "executive director (or his designated representative..." with "GHURA"	Executive Director (or his designated representative)....	GHURA	2, 13
3	Minimum score of 60 out of 100	not included	added	2, 3
4	Cure period of 1 wk for minor clarification	not included	added	2
5	Applicants with unfinished LIHTC projects are allowed to submit a 2013 application if project has been 70% completed as determined by GHURA.	not included	added	2
6	Changed the Criteria order	-	-	3-12
7	Increased points for Criteria #6 Special Tenant Population	max 5 points	max 10 points	4, 6-7
8	Decreased points for Criteria #3 Federal Tax Credit/Low-Income Rental Unit Ratio	max 8 points	max 5 points	3, 5-6
9	Decreased points for Criteria #5 Tenant Population with children and provide 3-bedroom units or larger	max 10 points	max 5 points	4, 6
10	Specified definition of Bonafide Non-Profit Organization under Criteria #7.	definition not provided	added	4, 7
11	If participating with a non-profit organization, documentation of non-profit status is required.	not included	added	7
12	Increased Good Faith Deposit amount	5%	10%	14
13	Awarding of credits rests solely with GHURA BoC.	not included	added	13

**GOVERNMENT OF GUAM**  
**LOW-INCOME HOUSING TAX CREDIT PROGRAM**  
**2013 QUALIFIED ALLOCATION PLAN**

**I. Introduction**

The Low-Income Housing Tax Credit (LIHTC) Program, created by the Tax Reform Act of 1986, is intended to encourage the construction or rehabilitation of low-income rental units. The regulations which govern this Program are contained in Section 42 of the Internal Revenue Code (the “Code” or IRC). The LIHTC Program provides Federal tax credits to qualified project owners who agree to maintain all or a portion of a project's units for low-income individuals or families. The Guam Housing and Urban Renewal Authority (GHURA) has been designated as the agency responsible for the administration of the Federal Low-Income Housing Tax Credit Program for Guam.

In accordance with the Omnibus Spending Bill of 2000, Omnibus Budget Reconciliation Act of 1989 and the Budget Reconciliation Bill of 1990, GHURA developed this Qualified Allocation Plan (QAP) which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the Low-Income Housing Tax Credit Program.

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, GHURA will review all relevant data required in the application. Projects selected under this QAP shall then be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

This QAP shall be effective for reservations and awards of LIHTC for calendar year **2012 for \$727,972 (unused) and calendar year 2013 for \$2,590,000**. The allocation plan is subject to amendment by the GHURA Board of Commissioners.

**II. Application Process**

Applications for the Low-Income Housing Tax Credit are available at GHURA's main office in Sinajana or by submitting a written request to GHURA at the address shown below.

The Guam Housing and Urban Renewal Authority (GHURA)  
c/o Executive Director  
117 Bien Venida Avenue  
Sinajana, Guam 96910

Applications for tax credits should be submitted to GHURA by no later than the deadline indicated below.\* **GHURA** shall have the right to defer the consideration of any application if such deferral is deemed in the best interests of meeting housing needs.

***\*The deadline for submission of applications will be announced by GHURA in at least one of the two newspapers of general circulation in Guam and attached to the official application for the funding period being announced.***

Application forms provided by GHURA must bear original signatures where signatures are required. No photocopies or other reproductions of documents with signatures will be accepted on these forms. Application should be computer-generated or typed. Handwritten applications are prohibited. Application should have content, formatting and pagination identical to that of the 2013 Application Form provided by GHURA. It should have no missing information or any information that is erroneous, incomplete or inconsistent. All attachments and supporting documentation required must be included in the Application packet.

GHURA shall review the application to ensure that it is complete and contains all required information. Complete applications shall then be evaluated in accordance with the QAP to determine the project's rank in relation to other projects in the evaluation. Projects **must meet a minimum score of 60 out of 100** to be evaluated to determine the minimum amount of tax credits required to make the project feasible. **Projects with a score of 59 or less may not be evaluated.** The amount of tax credits reserved or allocated to a particular project will be limited to the amount GHURA, in its sole discretion, deems necessary to make the project feasible.

The allocation plan will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits.

In addition to the scores derived, GHURA will review all relevant data required in the application which include, but are not limited to, the applicant's financial statements, experience in producing low-income housing units, reasonableness of development and operating budgets, and an independent market study in awarding the tax credits. **If a minor clarification is required, applicant will be notified. Applicant will be given approximately one week to provide the information.**

Projects selected under this allocation plan shall then be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

**Applicants with ongoing or unfinished LIHTC projects are eligible to submit a 2013 LIHTC application if project has been 70% completed as determined by GHURA. A LIHTC project is considered completed if ALL units are Placed-in-Service and close-out process has been performed.**

### III. Selection Criteria

#### A. Minimum Thresholds:

Applicants must meet the following Minimum Threshold requirements to receive consideration for an allocation or award of Low Income Housing Tax Credits.

1. **Market Study:** A comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project by a disinterested party must be submitted as part of this application. The Market Study shall be completed at the Owner's expense. Any application failing to submit a Market Study or submits a Market Study dated over 6 months from the time of application will not be considered for an award of tax credits. Market Study requirements are specified in Appendix 1.
2. **Site Control:** To receive consideration for an award of LIHTC, the applicant must have control of the site in a form acceptable to GHURA. Evidence of site control shall be submitted with the application for Low Income Housing Tax Credits. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to GHURA. Evidence of site control must be provided for all proposed sites.

### IV. Selection Criteria Point System

Each application will be evaluated and awarded points in accordance with the following criteria. Unless otherwise indicated, all references to low-income unit(s) or low-income rental unit(s) shall mean low-income housing tax credit unit(s).

**Application must have a minimum score of 60 out of 100 points.**

	<b>CRITERIA</b>	<b>POINTS*</b>
1	Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.	0 to 10
2	Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.	1 to 10
3	Project's federal tax credit/low-income rental unit ratio.	0 to 5
4	Project has the appropriate zoning or the applicant has secured the necessary exemptions/variances to construct the project as proposed.	0 or 4

5	Project will serve tenant populations of individuals with children and provide 3-bedroom units or larger.	0 or 5
6	Project will give preference to special tenant populations.	0 or 10
7	Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.	0 or 5
8	Project is located in a qualified census tract, the development of which contributes to a concerted community revitalization plan as determined by GHURA.	0 or 2
9	Project location and market demand.	0 to 10
10	Developer experience.	(10) to 10
11	Applicant demonstrates that all low-income units will be made available to people holding valid Section 8 vouchers.	0 or 2
12	The ratio of total tax credits requested as a percentage of total project cost.	0 to 6
13	Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 Project-Based Rental Assistance Program.	0 to 3
14	Local government support.	0 to 2
15	Developer will sell the units with a preference towards selling to current residents after 15 years.	0 or 1
16	Green building / Energy efficiency.	0 to 5
17	Overall project feasibility.	0 to 10

\* See pages 4 -12 for description.

**Criteria 1.** Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.

Applicants electing to commit to an additional use period beyond the 15-year LIHTC compliance period (collectively the Extended Use Period) will be awarded points based on the



table below. By making this election, the applicant elects to waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II). The elections will be recorded in the Restrictive Covenant Document. Points will be awarded based on the following:

<b>Additional Use Period (in addition to the 15 year compliance period) of:</b>	<b>Points</b>
46 years or more	10 points
40 to 45 years	9 points
35 to 39 years	8 points
30 to 34 years	7 points
25 to 29 years	6 points
20 to 24 years	5 points
16 to 19 years	4 points
No additional use period	0 point

**Criteria 2.** Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.

With respect to the set-aside affordability, if project provides:

20% of the project to households earning less than 50% of AMGI, or 40% of the project to households earning less than 60% of AMGI	1 Point
40% of the project to households earning 50% or less of AMGI, or 60% of the project to households earning 60% or less of AMGI	2 Points
60% of the project to households earning 50% or less of AMGI, or 80% of the project to households earning 60% or less of AMGI	3 Points
100% of the project to households earning 60% or less of AMGI	10 Points

**Criteria 3.** The ratio is derived as: “Total Federal Tax Credits Requested (Annual)/Total Number of Proposed Low-Income Rental Units”

Greater than	Less than	Points
\$34,000.00		0
\$29,000.00	\$33,999.00	1
\$26,000.00	\$28,999.00	2

\$23,000.00	\$25,999.00	3
\$20,000.00	\$22,999.00	4
	\$19,999.00	5

**Criteria 4.** Project has the appropriate zoning or the applicant has secured the necessary exemptions/variances to construct the project as proposed.

The applicant's readiness to proceed with the development of this project with respect to development approvals:

The applicant has obtained all necessary zoning and entitlements for the property, including subdivision approvals and upon receipt of credits, is ready to proceed with the development of the project (keeping the project concept within the allowable land use parameters) without any additional development approvals other than customary land disturbance and building permits. Acceptable documentation of property control must be in full force and effect, fully executed and include a correct legal description. 4 Points

Project is not appropriately zoned and/or does not conform to Land Use regulations or requires variances, subdivision approval or any other exemption from any local or state land use restrictions. 0 Points

**Criteria 5.** Project will serve tenant populations of individuals with children and provide 3-bedroom units or larger.

The project will serve tenant populations of individuals with children and will provide 3-bedroom and 4-bedroom units for at least 60% of all low-income units in the project.

If the answer to the question is NO 0 Points

If the answer to the question is YES 5 Points

**Criteria 6.** Project will give preference to special tenant populations.

*Applicants may receive points for electing to serve one of these tenant populations.*

Project will commit to serve the following tenant populations:

- 1) Tenant populations with special housing needs. Special needs groups are "persons for whom social problems, age or physical or mental disabilities impair their ability to live

independently and for whom such ability can be improved by more suitable housing conditions."

Projects may receive 10 points for this criterion if it commits to the following:

The project will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. To receive consideration for this criterion:

- The project must commit to provide case management or services specific to this population or special facilities to accommodate the physically disabled.
- The Market Study shall specifically address the housing needs for the special needs group.

10 Points

**-Or-**

2) Elder or elderly households.

Projects may receive a total of 10 points, if all residential units in the project are set-aside for elders or elderly households.

10 Points

**Criteria 7.** Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.

Project is participating with a local tax-exempt organization and is sponsored by a qualified non-profit, as defined in Section 42 of the Internal Revenue Code.

If the answer to the question is NO

0 Point

If the answer to the question is YES, **the organization must be a bonafide non-profit organization at time of application submission, as evidenced by the following:**

5 Points

- a) must be an IRS 501(c)(3) or 501(c)(4) entity;
- b) must be organized, existing, and qualified to do business in Guam; and
- c) must (i) not be formed by one or more individuals or for-profit entities for the principal purpose of being a local tax-exempt non-profit organization; (ii) not be controlled by a for-profit organization; and (iii) not have any staff member, officer or member of the board of directors who will materially participate, directly or indirectly, in the proposed development as or through a for-profit entity.

**Documents to show proof of bonafide non-profit status should be submitted with application.**

**Criteria 8.** Project is located in a qualified census tract, the development of which contributes to a concerted community revitalization plan as determined by GHURA.

Project is located in a Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA. For example: site is located in an Enterprise Community, Empowerment Zone, or part of a County redevelopment plan.

If the answer to the question is NO 0 Points

If the answer to the question is YES 2 Points

To receive consideration for this criteria, applicant must provide an explanation on how this project is in compliance with such plan and its benefit to the overall community. The applicant must provide a letter of interest or a binding agreement with the government agency administering the community revitalization plan.

**Criteria 9.** Project location and market demand.

Project location and market demand. 0 to 10 Points

Application must include a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. It must be conducted by a disinterested party. The Market Study must be completed at the Owner's expense. Any application which fails to submit a Market Study or submits a Market Study dated over 6 months from the time of application submittal, shall be returned to the applicant and will not receive further consideration.

Market Study requirements are specified in Appendix 1.

The points awarded will be based on GHURA's evaluation of following factors:

Employment opportunities, recreational facilities, shopping facilities, medical facilities located in the immediate vicinity of the project site	2 points
Documented/supported market demand	2 points
Proposed rental rates are below market rents for the immediate surrounding area	2 points
Housing characteristics (e.g., design, density) appropriate for neighborhood	2 points
Neighborhood conducive for senior or family use	2 points

**Criteria 10.** Developer experience.

Developer experience.

-10 to 10 points

The points awarded will be based on GHURA's evaluation of the following factors:

Developer's (or any member/staff of the development team) experience or ability (or inexperience/inability) to successfully complete the project	-2 or 2 Points
Developer's success or failure in meeting the objectives of the program on past proposals	-2 or 2 Points
Development Team's success or failure in meeting the objectives of the program on past proposals	-2 or 2 Points
Development Team's experience or ability to successfully complete the project	4 Points
Project's general partner and/or affiliates has a history of chronic and/or substantive noncompliance, has failed to meet the requirements of the Declaration for Low-Income Housing Credits for previous projects, or has any significant tax credit history with other state tax credit allocating agencies.	-4 Points

**Criteria 11.** Applicant demonstrates that all low-income units will be made available to people holding valid Section 8 vouchers.

The applicant demonstrates that all low-income units will be available to people holding valid Section 8 vouchers.

If the answer to the question is NO

0 Point

If the answer to the question is YES and the applicant is able to demonstrate that all low-income units will be available to people holding valid Section 8 vouchers.

2 Points

**Criteria 12.** The ratio of total tax credits requested as a percentage of total project cost.

If total federal tax credit requested (gross) as a percentage of total project cost is:

Greater than 80% of total project cost	0 Point
71 % through 80% of total project cost	1 Point
61 % through 70% of total project cost	2 Points
51 % through 60% of total project cost	3 Points
41 % through 50% of total project cost	5 Points
40% or less of total project cost	6 Points

**Criteria 13.** Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 Project-Based Rental Assistance Program.

Project will be receiving project-based rental assistance subsidies which would result in eligible tenants paying approximately 30% of their gross monthly income towards rent. Eligible programs shall include, but not be limited to, the Rural Development 515 Loan Program and HUD Section 8 Project-Based Rental Assistance Program.

If the answer to the question is NO

0 Point

If the answer to the question is YES

1 to 3 points

If the whole project has project based subsidies then 3 points is awarded. If only a portion of a project has project based subsidies, then the scoring will be adjusted based upon the percentage of units subsidized. The percentage is derived as "Number of Subsidized Units / Tax credit and non-tax credit subsidized units," provided they are developed simultaneously.

**Criteria 14.** Local Government Support.

The project will receive a below market loan or grant from a Guam or local governmental agency other than GHURA which, in total amounts to 10% or more of the total development cost.

The project has not applied for a below market loan or grant from a government agency, or if the total amount applied for is less than 10% of total

0 point

development costs.

The project has applied for a below market loan or grant from a government agency. Documentation must be provided evidencing that an application for financing has been submitted. 1 point

The project has received a commitment from a government agency. A copy of a commitment letter or contractual agreement must be included in the application. 2 points

**Criteria 15.** Developer will sell the units with a preference towards selling to current residents after 15 years.

Projects offering tenants an opportunity for home ownership. The applicant will offer tenants a right of first refusal to acquire the property in accordance with Section 42(i)(7) of the Internal Revenue Code. To receive consideration for the criteria, the applicant must provide a feasibility analysis addressing the tenant's ability to purchase the project. The applicant must also provide a plan discussing how the project will offer the units for homeownership to tenants.

If the answer to the question is NO 0 Point

If the answer to the question is YES 1 Point

**Criteria 16.** Green Building / Energy Efficiency

Projects electing to incorporate energy-efficient practices that promote resource conservation will be awarded points.

Projects that elect to include <u>all seven</u> of the listed features	5 points
Projects that elect to include four to six of the following features in their project	3 points
Projects that elect fewer than four of the following features in their project	0 point

Features:

- Installation of solar thermal, tank less, or tank-type water heaters that meet ENERGY STAR standards
- Installation of water conserving plumbing fixtures: water sense high efficiency toilets (less than 1.28 gallons per flush), showerheads with rated flow less than 1.75 gallons per

minute (gpm), kitchen aerators with rated flow less than 1.5 gpm, and bathroom aerators with rated flow less than 1.0 gpm

- Installation of five or more ENERGY STAR qualified light fixtures, ceiling fans equipped with lighting fixtures, and/or ventilation fans in each unit
- Installation of photo sensors or timers on all outdoor lighting and ENERGY STAR or high-efficiency commercial grade lighting fixtures (T8) in all common areas
- Installation of ENERGY STAR appliances including refrigerators, dishwashers, and clothes washers (horizontal axis) in each unit
- Reducing heat effects by using ENERGY STAR low emissive roofing products for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area. Reduce asphalt surface areas and use low emissive pavement coatings and materials for at least 25% of paved surfaces
- Provide an easily accessible area dedicated to recycling (at a minimum) newspaper, corrugated cardboard, glass bottles and jars, aluminum cans, and plastic containers (#1 and #2)

Upon completion of the project, a certification from a third party, architect, or engineer verifying the green building practices listed above have been used to construct or rehabilitate the building shall be submitted. Failure to provide the certification by six months after the issuance of the IRS Form 8609 will result in forfeiture of the good faith deposit.

**Criteria 17.** Overall project feasibility.

Overall Project Feasibility.

0 to 10 points

The points awarded will be based on GHURA’s evaluation of any and all factors that could impact overall project feasibility, such as, but not limited to:

Reasonableness of development costs & Feasibility of financing structure	2 points
Operational feasibility (for example, unreasonable operating expenses)	2 points
Adequacy of Reserves including but not limited to Operating Reserve and Repair and Replacement Reserve	2 points
Services and amenities provided to tenants that will enhance the livability of the project	2 points
Adequacy of project contingencies in the development budget	2 points



## V. Rights of GHURA

The awarding of tax credits rests solely with the GHURA Board of Commissioners.

GHURA reserves the right to disapprove any application or project for any tax credit reservation or allocation, regardless of ranking under the criteria and point system as contained in Sections III and IV of this QAP. GHURA shall have the authority to defer consideration of any application if such deferral is deemed in the best interest of meeting housing needs.

GHURA reserves the right, in its sole discretion, to (i) hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles, (ii) carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been Placed in Service, and (iii) under certain conditions, issue a reservation for the next year's housing credit ceiling.

GHURA is required under the IRC of 1986, as amended, to allocate the minimum amount of tax credits required to make a project feasible. The determination of the amount of tax credits to be reserved or allocated to a project shall be made solely at the discretion of GHURA. GHURA may, at the time of issuance of the IRS Form(s) 8609 for the project, decrease the amount of tax credits allocated to a project based on the actual cost and financing of the project.

GHURA may, at its sole discretion under certain circumstances, conduct a special round after the final scheduled round for a year for projects (i) where the applicant's tax counsel has attested to an itemization of how the ten percent test prescribed by Internal Revenue Code Section 42(h)(1)(E) will be met; (ii) which have no deficient application items; and (iii) for which all exhibits have been submitted ("Year-End Round"). Year-End Round projects will receive a Carryover Allocation, not a reservation of LIHTCs, which may contain certain conditions and time periods for satisfying them. The circumstances for conducting a Year-End Round are (1) availability of LIHTCs and (2) potential loss of LIHTCs to the national pool. When a Year-End Round is being conducted, applicants need to satisfy the above requirements in order to receive a Carryover Allocation; and LIHTCs will be processed on a first-come-first-served basis and allocated to the extent available and to the extent applications can be processed.

GHURA in no way represents or warrants to any interested party which may include, but is not limited to, any developer, project owner, investor or lender that the project is, in fact, feasible or viable.

No GHURA member, officer, agent or employee shall be personally liable concerning any matters arising out of, or in relation to, the reservation or allocation of Low-Income Housing Tax Credits.

## VI. Fees

The following fees are associated with the Low Income Housing Tax Credit program. GHURA reserves the right to adjust the fees due to changing circumstances annually each January 1. All fees shall be paid via Cashier's Check and made payable to the **Guam Housing and Urban Renewal Authority**.

### **Application Fee**

An Application Fee of \$1,500 per application shall be payable at the time of submission of the application. The fee shall be the same for all applicants.

### **Good Faith Deposit**

A good faith deposit of **ten percent (10%)** of the first year's federal tax credits reserved shall be payable at the time the executed binding agreement is submitted to GHURA. Upon allocation and issuance of the IRS Form 8609, sixty percent (60%) of the good faith deposit shall be retained by GHURA as an administrative fee. The remainder of the good faith deposit may be refunded to the applicant. Failure to meet any of the elections made in the scoring criteria at the time of application will result in the retention of the entire good faith deposit by GHURA.

### **Compliance Monitoring Fee**

Please refer to Section 'VII. Compliance Monitoring Plan' for more details regarding the Compliance Monitoring Fee.

### **Qualified Contract Processing Fee**

Qualified Contract Fee of \$150 per unit for all units.

## VII. Compliance Monitoring Plan

### A. Summary

GHURA shall monitor compliance with all applicable Federal Program requirements for the period a project is committed to providing low-income rental units. GHURA will require that all qualified tenants of a project be certified upon occupancy and be re-certified annually to ensure compliance. Projects shall be required to maintain copies of the income certification for each tenant on forms approved by GHURA. Projects will also be required to maintain records regarding number of rental units (including number of bedrooms and size of square footage of each bedroom); percentage of total rental units that are low-income units; rent charged on each rental unit including utility allowances; number of occupants in each low-income unit for those buildings receiving tax credits prior to 1990; documentation regarding vacancies in the building; eligible and qualified basis of the building at the end of the first year of the credit period, and at the end of each year until required set-asides are met; and character and use of the nonresidential portion of the building that is included in the building's eligible basis, all in accordance with the rules published by the Internal Revenue Service. GHURA may perform an audit annually but at

a minimum, once every three years, and shall have access to all books and records upon notice to the project owner.

Annually, owners of low-income housing tax credit projects will be required to certify to GHURA that for the previous year, the minimum set-aside requirement was met; there was no change in the applicable fraction, or an explanation if there was a change; appropriate income certifications and documentation have been received for each low-income tenant; each low-income unit was rent-restricted in accordance with the Code; all units were for use by the general public and used on a no transient basis (except for transitional housing for the homeless as provided for in the Code); each building was suitable for occupancy, taking into account local health, safety and building codes; there was no change in the eligible basis in the project, or an explanation if there was a change; all tenant facilities included in the eligible basis were provided on a comparable basis without charge; rentals of vacancies were done in accordance with the Code; rentals of units were done in accordance with the Code if any tenant's income increased above the limit allowed by the Code; and a Restrictive Covenant document was in effect for the project, for those buildings receiving credits after 1989, all in accordance with the rules published by the Internal Revenue Service.

If GHURA becomes aware of non-compliance, the Internal Revenue Service shall be notified in accordance with the rules published by the Internal Revenue Service.

Please consult with your tax attorney and/or LIHTC consultant regarding Internal Revenue Code regulations. Owners are responsible for keeping abreast of current LIHTC Program requirements.

The guidelines outlined below pertain to projects allocated Federal Low Income-Housing Tax Credits in Guam.

## B. Compliance

### **Owner/Manager Training**

Owners, managing agents, and on-site managers should attend or document that they have recently attended training on management and compliance prior to leasing any units, but no later than receipt of IRS Form 8609, which certifies an allocation of tax credits. Training may be required following significant or repeated noncompliance events. At minimum, such training should cover key compliance terms, qualified basis rules, determination of rents, tenant eligibility, file documentation, next available unit procedures and unit vacancy rules, agency reporting requirements, record retention requirements, and site visits.

### **Set Aside**

The project must comply with the low-income set-aside requirements of Section 42 of the Internal Revenue Code- as chosen by the owner at the time of receiving the credits. The minimum requirements are either:

1. 20 percent or more of the units are occupied by tenants having a household income of 50 percent or less of the area median gross income (the "20-50 requirement"), or
2. 40 percent or more of the units in the project are occupied by tenants having a household income of 60 percent or less of the area median gross income (the "40-60 requirement").

Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937, as directed by the Internal Revenue Code. Area median incomes are determined annually by the U.S. Department of Housing & Urban Development (HUD), and are available from GHURA.

### **Rent**

Units in the project must be rent-restricted to either thirty (30) percent of the median income adjusted for family size for the area in which the project is located or rent restricted to thirty (30) percent of the imputed income limitations based on unit size. This rent restriction must be maintained throughout the Term of the Compliance and Extended-use period. See 'D. Rent Restrictions' in this section for further information.

### **Term of Compliance**

Projects receiving a LIHTC allocation after January 1, 1990, must comply with eligibility requirements for the extended use period [initial 15-year period (compliance period), in addition to the 15 or more years (additional-use period)] determined by elections indicated in the Restrictive Covenant Document. The Restrictive Covenant Document must be recorded before credits are allocated.

### **Annual Certification**

These and other compliance requirements as listed in Section 'A. Summary' must be certified annually by the owner through the submission of the Annual Report. The Annual Report includes the Owner's Certificate of Continuing Program Compliance and shall be submitted by February 1 of each year throughout the compliance/extended-use period.

### **Records Retention**

The Annual Report and the supporting documentation verifying the information on the Annual Report must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

### **IRS Form 8609**

Owner shall complete Part II of IRS Form 8609 and submit with subsequent Annual Reports.

### **Qualified Basis Tracking Sheet (QBTS)**

This form shall be submitted annually until the required set-asides are established. Documents will provide information on original tenants qualifying each building for tax credits minimum set-asides, and other set-asides.

### **Status Reports**

This report is to be submitted annually by owners in such format as required by GHURA or its Authorized Delegate to document and track the continuous compliance of tax credit units. The documents report data that tenants are income eligible at move-in, that occupants of LIHTC units are re-certified at least on an annual basis and that the unit rents are restricted. Documentation will also indicate compliance with the vacant unit rule and 140% rule. The tracking of tax credit units substantiates the maintenance, increase or reduction of each BIN's qualified basis.

### **C. Qualifying Households**

Applicants for low-income units should be advised early in their initial visit to the project that there are maximum income limits which apply to these tax credit qualified units. Management should explain to the tenants that the anticipated income of all persons expecting to occupy the unit must be verified and included on a Tenant Income Certification (TIC) prior to occupancy, and re-certified on an annual basis. Applicants should be informed of other Internal Revenue Service requirements such as the Student Rule and Recertification.

### **Unborn Children**

In accordance with the HUD Handbook 4350.3, owner shall include unborn children in determining household size and applicable income limits. If permitted by state laws, owner shall require documentation of pregnancy in such circumstances.

### **Student Households**

In accordance with the Internal Revenue Code, a household comprised entirely of full-time students may not be counted as a qualified household, unless the household meets at least one exception. Refer to the Internal Revenue Code for additional guidelines on the exceptions. Owner shall utilize a lease provision requiring tenants to notify managing agent of any change in student status.

### **Calculating Anticipated Tenant Income**

Owner shall qualify tenants by calculating household income using the gross income the household anticipates it will receive in the 12-month period following the effective date of the income verification or Recertification. Anticipated income should be documented in the tenant file by third party verification whenever possible, or by an acceptable alternate method of verification with documentation as to why third party verification was not

available. Owner shall use current circumstances to project income, unless verification forms or other verifiable documentation indicate that an imminent change will occur. Owner shall refer to HUD Handbook 4350.3 for guidance on the proper calculation and verification of income and assets per IRC regulations.

### **Certification**

Upon acceptance of an applicant to the project, a TIC must be completed for the applicant and certified to by the applicant and the owner. The form is a legal document which, when fully executed, qualifies the applicants to live in the set-aside units in the project.

The TIC must be executed along with the lease prior to move-in. No one may live in a unit in the project unless certified and under lease.

The original copy of the executed TIC form is to be retained in the applicant's file. The TIC and the supporting documentation verifying the TIC must be kept for a minimum of six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, in accordance with published IRS guidelines.

### **Recertification**

For 100% LIHTC set-aside projects, annual recertification are not required after January 1, 2014. Owners must recertify households at least once on the first anniversary of their initial tenancy.

For projects with less than 100% set-aside:

To ensure each unit is complying with the LIHTC income restrictions, GHURA requires (a) the owner to annually recertify each tenant's income and household composition and (b) each tenant is to report certain changes in income and household composition which occur between regularly scheduled recertification.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next available unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

Each tenant's annual recertification is to be completed within one year of last recertification. The request for recertification shall be made between 60 and 90 days before the effective date, and it must clearly state that the tenant has ten (10) calendar days in which to contact the owner to begin recertification processing. The notice must also state the days and hours available for the interview, the information the tenant should bring to the interview, and how and whom to contact to schedule the interview.

Upon re-verification of the tenant's income, the owner shall complete a new TIC, which shall be certified to by the owner or owner's designee.

### **Past-Due Recertification**

A recertification is considered past due if the TIC form for the tenant is not certified by tenant and owner within twelve months of the last recertification.

## **D. Rent Restrictions**

Projects receiving Low-Income Housing Tax Credits after January 1, 1990 must comply with the following procedures:

- Units in the project must be rent-restricted to 30% of the imputed income limitations for each unit, based upon HUD area median incomes and size of units. Rents are imputed by bedroom size in the following manner: a unit which does not have a separate bedroom - 1 individual; and a unit with 1 or more separate bedrooms - 1.5 individuals per bedroom.
- Gross rent does not include any payment for various rental assistance programs and supportive service assistance as outlined in Section 42 of the Code. Gross rent must include any allowance for utilities.

HUD publishes the area median incomes for each state and territory annually. Updated income limits must be implemented pursuant to IRS Revenue Ruling 94-57, "Taxpayers may rely on a list of income limits released by HUD until 45 days after HUD releases a new list of income limits, or until HUD's effective date for the new list, whichever is later." Rents may be increased accordingly as the area median income increases.

If the income of the tenants in a unit who have been previously verified increases above 140 percent of the applicable income limitation, the unit may continue to be counted as a low-income unit as long as the next unit of comparable or smaller size is occupied by a qualified low-income tenant, and the rent continues to be restricted for the initial unit.

## **E. Eviction of Tenants**

Once an eligible tenant has been certified and admitted to the project, the tenant may not be displaced solely due to an increase in the tenant's household income beyond the restricted limit.

## **F. Audits**

The project may be subject to a management audit by GHURA or its Authorized Delegate annually but, at a minimum, once every three years. Notification of an audit shall be given to the owner at least 30 days prior to such audit. The results of the management audit and



the recommendations for corrective action to protect and maintain the project shall be transmitted to the owner within thirty (30) days following the completion of the audit.

The purpose of the audit will be to conduct a physical inspection of the building and/or project, and, for at least 20 percent of the project's low-income units, to inspect the units and review the low-income certifications, documentation supporting the certifications, and rent records for the tenants in those units. The audit may also consist of a review of first year tenant records, a review of the documentation supporting the Annual Report, and any other documentation necessary for GHURA to make a determination as to whether the project is not in compliance with the Code.

When conducting tenant file reviews, GHURA's and its Authorized Delegate's reviews shall include, but not be limited to:

- completed rental application, including certification of assets and disposal of assets, if applicable;
- tenant income certification completed for move-in and current year, including all required signatures and dates;
- income verification(s) completed and documented;
- assets verified in accordance with IRC regulations;
- student eligibility documentation;
- lease and lease addendums completed at move-in;
- utility allowance on file;
- review of first year tenant records which qualified the project initially for tax credits

The owner shall have a period of thirty (30) days in which to respond to the findings of the management audit. GHURA shall review the owner's response to determine the extent to which the issues raised in the management audit letter are addressed. Findings, whether corrected or not, will be reported to the IRS.

See Section 'J. Non-compliance Penalties' for information on notification to the IRS of any non-compliance found in the management audit.

#### G. Rural Housing Service (RHS) and Tax-exempt Bond Issue Projects

In accordance with the published IRS guidelines on compliance monitoring, an exception may be granted to RHS projects under its section 515 program and buildings or projects of which 50 percent or more of the aggregate basis is financed with the proceeds of tax-exempt bonds.

The IRC regulations allow for exception of a building from the inspection requirement if the building is financed by RHS under the section 515 program, the RHS inspects the building [under 7 CFR part 1930(C)], and the RHS and the allocating agency enter into a memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the allocating agency of the inspection results. Irrespective of the physical inspection standard selected by the allocating agency, a low-income housing project under section 42 of the Internal Revenue Code must continue to satisfy local health, safety and



building codes. A memorandum of understanding has not been executed between GHURA and RHS.

Annual Reports, QBTS, Compliance Monitoring Status Reports and other reports are still required of RHS projects. Although GHURA has allowed the use of the RD 1944-8, the form does not determine eligibility for specific LIHTC requirements. Owners need to determine whether the TIC will be used or a worksheet will be attached to RD 1944-8 to determine eligibility under the IRC. Management audits will still be conducted as indicated herein.

An owner who for some reason is not able to make any of the required certifications stated on the Annual Report or other requirements must inform the Agency immediately of such inability, as well as explain the reason for said inability.

#### H. Reporting Requirements

- a. The LIHTC Annual Report must be submitted annually by February 1 of each year throughout the compliance/extended-use period.
- b. Part II of the IRS Form 8609 must be completed by the owner and submitted with initial Annual Report.
- c. Qualified Basis Tracking Sheets (QBTS) are submitted at a minimum annually with LIHTC Annual Report until all set-asides are established.
- d. Status Reports are submitted annually by owners with Annual Report to document and track the continuance compliance of tax credit units throughout the compliance/extended-use period.

These forms must be sent in to GHURA or its Authorized Delegate at the address shown in Section II.

The Certification of Eligibility and LIHTC forms listed above are available from GHURA. Additionally, GHURA has data regarding HUD area median incomes, maximum rental rates, income verification information and third party verification forms.

#### I. Fees

A compliance monitoring fee of up to \$200 per unit for all units within each project shall be charged annually for administrative expenses. This fee shall be submitted with the LIHTC Annual Report for each year of the compliance/extended-use period. GHURA reserves the right to adjust fees due to changing circumstances annually each January 1. It will be the responsibility of GHURA to inform the owner of any changes in the annual compliance fee prior to the submission of fees. The compliance monitoring fee will be effective as of the Placed in Service date for the first building.

#### J. Non-compliance Penalties

The penalty for non-compliance with these procedures is the potential recapture of the credits awarded and interest on the amount recaptured. The Internal Revenue Service shall determine penalties for non-compliance.

Upon determination by GHURA of non-compliance with the LIHTC Program, the owner shall be notified and given thirty (30) days to correct any discovered violations. In accordance with the Internal Revenue Service's published guidelines on compliance monitoring, GHURA will be required to notify the IRS within forty-five (45) days after the end of the thirty day correction period, whether or not the non-compliance is corrected. GHURA will be given the opportunity on the IRS form to indicate whether the owner has corrected the non-compliance. GHURA may extend the correction period, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. In such case, the IRS will not be notified until the end of the extended correction period.

#### K. Additional Use Period

After the initial 15-year compliance period of the Extended Use Period (“Additional Use Period”), GHURA is no longer required to report instances of non-compliance to the IRS. The Compliance during the Additional Use Period (“AU Compliance Policy”) will concentrate on enforcing the requirements of the LIHTC program through the term of the Declaration of Restrictive Covenants for Low Income Housing Credit recorded on the property. The AU Compliance Policy is largely based on the procedures of the initial compliance period. Unless noted below, the policy and procedure for compliance during the initial compliance period shall continue to apply to the additional use period.

##### **Effective Date**

The AU Compliance Policy shall be effective on the first day after the expiration of the initial 15 year compliance period for the last building placed in service in the project. Generally, the additional use compliance period will begin on January 1 of the year after the expiration of the initial 15 year compliance period of the last building placed in service and be in effect until the end of the additional use period.

##### **Income and Rent Set Aside**

Owners are subject to the Section 42 occupancy and rent restrictions required in the Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits.

##### **Student Households**

The IRC student rule no longer applies during the additional use period. However, as the GHURA wants to ensure that properties in the additional use period are not used as dormitory housing, a modified student eligibility requirement will be enforced. During the additional use period, a household comprised entirely of full time students will qualify as long as at least one member of the household is an independent student or is a student in grades Kindergarten through 12 (including home schooled minors studying course material

within these grades). An independent student is defined as one who is not claimed as a dependent on his/her parent's tax return (proof required).

#### **Available Unit Rule / 140% Rule**

For projects which include market rate units, the Available Unit Rule and the 140% Rule do not apply during the additional use period. The percentage of tax credit units as specified in the Declaration of Restrictive Covenants for Low Income Housing Credits must be maintained throughout the additional use period.

#### **Certification and Recertification**

Certification of tenants at the time of move-in shall be required during the additional use period according to the same procedure as the compliance period. Recertification of tenants will not be required during the additional use period. However, if any adults are added to the household, then the household must be re-certified.

#### **Unit Transfers**

During the additional use period, unit transfers are allowed without a new income qualification. Documentation of all unit transfers that occur shall be submitted as part of the Reporting Requirements.

#### **Reporting Requirements**

- a. The **LIHTC Annual Report** must be submitted annually by February 1 of each year throughout the **additional**-use period.
- b. **Status Reports** are submitted annually by owners with the Annual Report to document and track **the** continuing compliance of tax credit units throughout the additional-use period.

#### **Site Audits**

Commencing within three years after the expiration of the Compliance Period, site audits for projects may be conducted at least once every **five** years. Projects that have substantial outstanding non-compliance beyond the correction period based on the findings of the most recent site audit may be subject to more frequent site audits.

#### **Owner Inspection**

Owners shall conduct an annual physical inspection of each unit and common areas in the project.

#### **Correction Period and Non-compliance Penalties**

Upon determination by the GHURA of non-compliance with the LIHTC Program during the additional use period, the owner shall be notified and given thirty (30) days to correct any discovered violations. The GHURA may extend the correction period on a case-by-

case basis, up to a total of six (6) months, if it is determined by the GHURA that good cause exists for granting such an extension. Owners may request the GHURA to review all outstanding non-compliance issues for a property once per calendar year after the initial correction period. Any owner and constituent entities involved in management and ownership of a project with an unresolved finding of non-compliance beyond the initial correction period may be deemed to be Not in Good Standing by the GHURA Finance Department. Owners must clear all outstanding non-compliance issues to be deemed in Good Standing with the GHURA.

### **VIII. Appeal**

All appeals shall be resolved in accordance with the GHURA's Appeals and Process Procedure, copies of which are maintained at the GHURA's office.

### **IX. Other**

High Cost Area Designation Newly constructed buildings located outside of designated Difficult to Develop Areas or Qualified Census Tracts qualify as a high cost area. The additional LIHTC available from the "basis boost" will be used to offset the high cost of construction and land throughout the island.

## **Appendix 1 Market Study**

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In accordance with Section 42(m)(iii) of the Internal Revenue Code, GHURA requires a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. The Market Study is to be conducted by a disinterested party approved by GHURA and must be submitted as part of the application. The Market Study shall be completed at the Owner's expense. Any application which fails to submit a Market Study, or submits a Market Study dated over 6 months from the time of application, shall be returned to the applicant and the application will not receive further consideration.

The Market Study shall address the following information:

- A statement of the competence of the market analyst.
- A description of the proposed site.
- Demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent. Estimate of capture rates for the market areas.
- Geographic definition and analysis of the market area.
- Identification of the project including location, unit counts, income levels and target population. Market Study must be consistent with the proposed project.
- Analysis of household sizes and types in the market.
- A description of comparable developments in the market area.
- Analysis of practically available rents, vacancy rates, operating expenses and turnover rates of comparable properties in the market area.
- Analysis of practically available rents, vacancy rates and turnover rates of market rate properties in the market area. Projected operating funds and expenses, when available at the time of the study.
- Expected market absorption of the proposed rental housing, including a description of the effect of the market area.
- Identification and commentary of proposed projects in the market areas.
- Analysis of market demand for tenants with special housing needs when applicable.

Projects that are requesting credits from eligible basis generated from a Community Service Facility as defined in Section 42(d)(4)(C)(iii) must provide a market study that addresses the following:

- A description of Services provided that improve the quality of life for community residents
- The market area and demand for services provided
- The applicability of service provided to the community
- The affordability of the services provided per sons of 60% AMGI or less

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
BOARD OF COMMISSIONERS  
RESOLUTION NO. FY 013-012**

**Moved By:** \_\_\_\_\_

**Seconded By:** \_\_\_\_\_

**RESOLUTION TO APPROVE THE APPOINTMENT OF MR. MICHAEL DUENAS AS THE EXECUTIVE DIRECTOR**

**WHEREAS,** pursuant to Section 5104, Title 12 of the Guam Code annotated, the Board of Commissioners of the Guam Housing and Urban Renewal Authority (**GHURA**) is given the right and responsibility to govern and control the operations of the Authority, and to establish polices for its day-to-day operations, and generally to undertake its responsibilities as supreme authority for the Agency; and

**WHEREAS,** the **GHURA** Board of Commissioners is empowered to employ an Executive Director who shall serve at the pleasure of Executive Management and the Board; and

**WHEREAS,** the Executive Director will be compensated at E-TGR-010(A)\$106,075.00; \$51,000 per hour; and

**WHEREAS,** funding for this position is available under COCC funds; and now therefore be it

**RESOLVED,** the Board of Commissioners hereby appoints Mr. Michael J. Duenas to the position of Executive Director and to be effective Tuesday, January 15, 2013; and

**IN REGULAR BOARD MEETING, HAGATNA, GUAM -- January 15, 2013**

**PASSED BY THE FOLLOWING VOTES:**

**AYES:**

**NAYS:**

**ABSENT:**

**ABSTAINED:**

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted by the Guam Housing and Urban Renewal Authority Board of Commissioners on **January 15, 2013.**

**( S E A L )**

\_\_\_\_\_  
**Michael J. Duenas**

Board Secretary / Executive Director