



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

MAY 22 2000

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina'Bente Singko na Liheslaturan Guåhan  
Twenty-Fifth Guam Legislature  
Suite 200  
130 Aspal Street  
Hagåtña, Guam 96910


OFFICE OF THE LEGISLATIVE SECRETARY  
ACKNOWLEDGMENT RECEIPT  
Received By: JB  
Time 10:10am  
Date May 23, 2000

Dear Legislative Secretary Brown:

Enclosed please find Bill No. 283 (COR), "AN ACT TO AMEND §§5408(d) AND 5411 (a), AND TO ADD §§5412, 5413, 5414, AND 5415, ALL WITHIN ARTICLE 4, CHAPTER 5 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS, AND TO AUTHORIZING GHURA TO DEVELOP AND SELL THE REMAINING LOTS OF THE AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW AND MEDIUM INCOME RESIDENTS OF GUAM", which I have signed into law today as Public Law No. 25-129.

This legislation allows GHURA to sell approximately 40 unused lots in the As-Tumbo area. These lots are affordable lots, designated for individuals and families who are currently tenants of low-rent housing programs or do not own title to property on Guam or elsewhere. These lots will not overlap with the Chamorro Land Trust program, as a prospective landowner must give up a Chamorro Land Trust lot if they receive a lot in this program. This legislation also allows a homeowner to sell their lot to a family member who also qualifies, within 1 year of ownership, and to sell their lot to another individual or family who also qualifies, within 5 years of ownership.

Very truly yours,

  
Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

Attachment: copy attached for signed bill or overridden bill  
original attached for vetoed bill


cc: The Honorable Antonio R. Unpingco  
Speaker

00939


MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN  
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

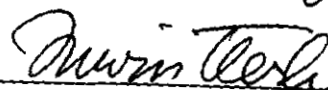
This is to certify that Bill No. 283 (COR) "AN ACT TO AMEND §§5408(d) AND 5411(a), AND TO ADD §§5412, 5413, 5414 AND 5415, ALL WITHIN ARTICLE 4, CHAPTER 5 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS, AND TO AUTHORIZING GHURA TO DEVELOP AND SELL THE REMAINING LOTS OF THE AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW AND MEDIUM INCOME RESIDENTS OF GUAM," was on the 11<sup>th</sup> day of May 2000, duly and regularly passed.

  
ANTONIO R. UNPINGCO  
Speaker


Attested:

  
JOANNE M.S. BROWN  
Senator and Legislative Secretary

-----  
This Act was received by I Maga'lahaen Guahan this 16<sup>th</sup> day of May, 2000,  
at 2:45 o'clock P.M.

  
Assistant Staff Officer  
Maga'lahaen's Office

APPROVED:

  
CARL T. C. GUTIERREZ  
I Maga'lahaen Guahan

Date: 5-22-00

Public Law No. 25-129

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**1999 (FIRST) Regular Session**

**Bill No. 283 (COR)**

As amended by the Committee on  
Housing, General Government Services  
and Foreign Affairs and as further  
amended on the Floor.

Introduced by:

V. C. Pangelinan

K. S. Moylan

L. F. Kasperbauer

F. B. Aguon, Jr.

E. C. Bermudes

A. C. Blaz

J. M.S. Brown

E. B. Calvo

M. G. Camacho

Mark Forbes

A. C. Lamorena, V

C. A. Leon Guerrero

J. C. Salas

S. A. Sanchez, II

A. R. Unpingco

**AN ACT TO AMEND §§5408(d) AND 5411(a), AND  
TO ADD §§5412, 5413, 5414 AND 5415, ALL WITHIN  
ARTICLE 4, CHAPTER 5 OF TITLE 12 OF THE  
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LEASE OR TRANSFER THEIR LOTS TO FAMILY  
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DEVELOP AND SELL THE REMAINING LOTS OF  
THE AS-TUMBO SUBDIVISION FOR THE  
PURPOSE OF PROVIDING AFFORDABLE**

**HOUSING TO LOW AND MEDIUM INCOME  
RESIDENTS OF GUAM.**

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

2           **Section 1. Legislative Statement.**           *I Liheslaturan Guåhan* finds that  
3 the As-Tumbo Subdivision was established to provide many low and  
4 moderate income families of Guam an opportunity to build affordable  
5 housing. Many original purchasers of the residential lots at below fair market  
6 rate, *however*, do *not* have the resources to obtain necessary financing to  
7 develop these properties for prospective occupancy. *Moreover*, strict  
8 limitations were imposed on purchasers of lots in the Subdivision, preventing  
9 any sale, transfer or lease of such properties, and leaving many lots fallow.

10           Also, *I Liheslaturan Guåhan* further finds that, additionally,  
11 approximately forty (40) lots are currently unassigned, as initial assignees are  
12 unable to complete the purchase. Intended to deter and protect individuals  
13 from returning to landless status, such covenantal restrictions, including valid  
14 transfers of title to family members, have severely impeded the  
15 materialization of a dream home for other qualified families. Absent an  
16 authorization to convey title to the property, such lots continue to lie idle.

17           Furthermore, *I Liheslaturan Guåhan* finds that the government, in  
18 separate policy decisions in the past, authorized the sale of public lots to  
19 landless residents of Guam at Two Thousand Five Hundred Dollars  
20 (\$2,500.00), the same price imposed on the purchasers of As-Tumbo lots.  
21 Purchasers of other "land for the landless" lots, *however*, after a period of ten

1 (10) years from the date of purchase, are allowed to sell, convey or otherwise  
2 transfer title or interest in the lot.

3 Therefore, it is the intent of *I Liheslaturan Guåhan* to fulfill the original  
4 intent of the reservation of the As-Tumbo Subdivision to build affordable  
5 homes for the low and moderate income residents of Guam by:

6 (1) authorizing the resale, conveyance, lease or transfer of lots  
7 in the As-Tumbo Subdivision, first to qualified family members of the  
8 original purchasers, then later to other prospective, qualified first-time  
9 homeowners; and

10 (2) authorizing the Guam Housing and Urban Renewal  
11 Authority ("GHURA") to develop and sell the properties, to fulfill the  
12 mission of providing affordable housing to qualified low and moderate  
13 income residents of Guam.

14 **Section 2.** Section 5408(d) of Article 4, Chapter 5 of Title 12 of the  
15 Guam Code Annotated is hereby *amended* to read as follows:

16 "(d) *Except* as provided for in §§5414 and 5415 of this Article, the  
17 Authority in any instrument of conveyance to a purchaser may provide  
18 that such purchaser shall be without the power to sell, lease or  
19 otherwise transfer the real property without the *prior* written consent of  
20 the Authority until the person has completed the construction of any  
21 and all improvements which the person has obligated that person to  
22 construct thereon, and the Authority may provide, in any such  
23 instrument of conveyance, that such real property shall revert to or  
24 re-vest in the Authority, at its discretion, upon a breach or violation of

1 any condition, covenant, restriction, undertaking or other requirements  
2 relating to the use of the property or otherwise without relieving any  
3 purchaser and successors or assigns of any obligation assumed by such  
4 purchaser, and without liability on the part of the Authority for any  
5 claim arising from such retesting or reversion. The Authority, upon a  
6 certification by it to a court of competent jurisdiction that any purchaser,  
7 their successors and assigns has breached or violated any condition,  
8 covenant, restriction, undertaking or requirement, shall be entitled to  
9 immediate relief, without bond or liability for damages, restraining and  
10 enjoining any such breach or violation, pending the determination of the  
11 issues in the controversy.”

12 **Section 3.** Section 5411(a) of Article 4, Chapter 5 of Title 12 of the  
13 Guam Code Annotated is hereby *amended* to read as follows:

14 “(a) The Board shall promulgate reasonable rules and  
15 regulations, pursuant to the Administrative Adjudication Law, to effect  
16 the purpose of this Chapter, which regulations shall include  
17 requirements that:

18 (i) the grantee(s) must personally occupy the property  
19 conveyed and *not* lease it to others;

20 (ii) the property may *not* be conveyed by the grantee(s) to  
21 a third party, *except* that a mortgage to a *bona fide* lending  
22 institution or a non-profit corporation organized under the laws of  
23 Guam that has been approved by GHURA to secure funds to

1           construct a residence on the property shall *not* be a violation of  
2           such rule, even if such mortgage is foreclosed; *and*

3           (iii) each deed of conveyance shall contain a right of  
4           reverter clause to the Authority in the event such regulations are  
5           violated."

6           **Section 4.** Section 5412 is hereby *added* to Article 4, Chapter 5 of Title 12  
7 of the Guam Code Annotated to read as follows:

8           **"Section 5412. Development of Affordable Housing.**

9           Effective March 1, 2000, the Authority may, notwithstanding any  
10          law, rule or regulation to the contrary, develop affordable housing  
11          within the As-Tumbo Subdivision on any lot that has *not* yet been  
12          conveyed to a buyer in accordance with the provisions of this Article,  
13          including:

14          (a) lots that have been assigned to an applicant, but for  
15          which the applicant has *not* entered into a contract of sale with the  
16          Authority; *and*

17          (b) lots that are subject to a contract of sale, where the  
18          buyer has defaulted on the contract or breached a provision  
19          thereof, or where the contract has been rescinded, cancelled or  
20          otherwise terminated."

21          **Section 5.** Section 5413 is hereby *added* to Article 4, Chapter 5 of Title 12  
22 of the Guam Code Annotated to read as follows:

23          **"Section 5413. Sale of Affordable Homes.**

1 (a) Notwithstanding any law, rule or regulation to the  
2 contrary, the Authority shall sell the properties developed  
3 pursuant to §5412 of this Article for less than fair market value to  
4 families or heads of households who are lawful permanent  
5 residents or citizens of the United States and who are *bona fide*  
6 residents of Guam.

7 (b) Such sales shall be in accordance with and limited to  
8 the following preferences:

9 (1) *first preference* shall be given to tenants of low-  
10 rent housing programs operated by the Guam Housing  
11 Corporation or the Authority and adult children of grantees  
12 of lots in the As-Tumbo Subdivision who are without fee  
13 title to any real property of their own in or out of Guam and  
14 who qualify as low or moderate income; *and*

15 (2) *second preference* shall be given to any resident of  
16 Guam without fee title to any real property in or out of  
17 Guam and who qualifies as low or moderate income.

18 (c) In carrying out the provisions of this Section, the  
19 Authority shall require a sworn statement from each applicant as  
20 to such applicant's ownership of land on Guam or elsewhere. In  
21 case the applicant is a lessee of a Chamorro Land Trust residential  
22 lot, the applicant shall, *immediately* upon the purchase of a  
23 property or an affordable home in the As-Tumbo Subdivision,  
24 cancel or surrender the applicant's lease of the residential lot with  
25 the Chamorro Land Trust Commission.



1           (d) The prospective purchaser shall secure approved loan  
2 or financing for the construction or purchase of a residence, or a  
3 conditional letter of intent or the equivalent.

4           (e) Each deed shall be subject to a right of reverter to the  
5 Authority *if*:

6                   (i) such statement on non-ownership was false; *or*

7                   (ii) the grantee(s) sells or leases to a third party any  
8 of the property *after* the date of execution of the deed  
9 contrary to the provisions of this Article.

10           (f) The Authority shall, by resolution, establish an  
11 application period or periods of reasonable length. During the  
12 application period, the Authority shall accept applications to  
13 purchase homes within the Subdivision. After the close of the  
14 application period, the Authority shall review all applications, and  
15 for applicant families or heads of households who are found  
16 eligible, assign preferences to each application. Within each  
17 preference, a priority number shall be assigned. Said priority  
18 number shall be established by lot. The Authority shall dispose of  
19 the homes by selling them first to first preference families or heads  
20 of households in the order of their respective priority numbers.  
21 When all families or heads of households submitting first  
22 preference applications have been offered homes, the remaining  
23 homes shall then be offered in the same manner to second  
24 preference applicant families or heads of households. The priority  
25 number system shall be used to determine which purchaser shall

1 be entitled to which home and shall also govern in the case that  
2 there are more purchasers in a preference category than homes  
3 available.

4 (g) The sale of homes shall begin as soon as practicable  
5 after the close of the application period. After determination of  
6 eligibility, each applicant shall, *prior to* the expiration of a time set  
7 by the Authority, make arrangement to purchase his or her home.

8 (h) As used in §§5413-5415:

9 (1) '*First-time homeowner*' means any family or head  
10 of a household who has *not* had any ownership interest in a  
11 home within the five (5) years preceding the date of  
12 application, or had an ownership interest in a home within  
13 the five (5) year preceding the date of application, but such  
14 interest was terminated by a decree of divorce or operation  
15 of law;

16 (2) '*Low or moderate income*' means a family whose  
17 income does *not* exceed eighty percent (80%) of the median  
18 income for Guam, as defined in the U.S. Department of  
19 Housing Urban Development's housing assistance programs  
20 administered by the Authority; *and*

21 (3) '*Resident of Guam*' means a United States citizen  
22 or permanent resident alien who has resided on Guam for a  
23 period of *not less than* five (5) years immediately preceding  
24 the date of application. An individual who has *not* been a

1 five (5) year resident for the period immediately preceding  
2 the date of application shall be deemed a resident of Guam *if*  
3 the applicant's residency change was due to active service in  
4 the United States Armed Forces, or for attendance on a full-  
5 time basis at an institution of higher education; *provided*, that  
6 the applicant was a five (5) year resident for the period  
7 immediately preceding the start of such active duty or  
8 education."

9 **Section 6.** Section 5414 is hereby *added* to Article 4, Chapter 5 of Title 12  
10 of the Guam Code Annotated to read as follows:

11 **"Section 5414. Deed Covenants.** (a) *Except* as provided  
12 for in §5415 of this Article, the deeds conveying the properties  
13 developed pursuant to §5412 of this Article shall, among other  
14 provisions agreed by the Board, contain:

15 (1) a covenant that for a period of ten (10) years  
16 commencing on the date of the conveyance, the grantee(s) or  
17 the heirs of the grantee(s) must personally occupy the  
18 property conveyed and *not* lease it to others;

19 (2) a covenant that for a period of ten (10) years  
20 commencing on the date of the conveyance, the grantee(s),  
21 may *not* convey or otherwise alienate the property to a third  
22 party, *except* that a mortgage to a *bona fide* lending institution  
23 to secure funds to purchase or construct a residence on the  
24 property or, that a mortgage to a non-profit corporation

1 organized under the laws of Guam that has been approved  
2 by GHURA for the purpose of constructing a residence on  
3 the property, shall *not* be a violation of such rule even if such  
4 mortgage is foreclosed; *and*

5 (3) a right of reverter clause to the Authority in the  
6 event that any of the conditions, covenants or restrictions of  
7 the deed are violated.

8 (b) *Except as provided for in §5415 of this Article, any covenants*  
9 *or restrictions in all existing deeds granted by the Authority pursuant to*  
10 *§5401 through §5411 of Title 12 of the Guam Code Annotated, are*  
11 *hereby and shall be deemed to be amended to terminate ten (10) years*  
12 *after the initial conveyance. As soon as practicable after the effective*  
13 *date of this provision, the Authority shall record with the Department of*  
14 *Land Management a document and release noting such amendment*  
15 *with respect to all affected lot numbers, and shall also give public notice*  
16 *of such amendment."*

17 **Section 7.** Section 5415 is hereby *added* to Article 4, Chapter 5 of Title 12  
18 of the Guam Code Annotated to read as follows:

19 **"Section 5415. Resale or Conveyance.**

20 Notwithstanding any other provisions of law, rule or regulation to  
21 the contrary:

22 (a) after a period of one (1) year from the date of purchase  
23 of a lot or home pursuant to this Article, any grantee(s) may sell,  
24 convey or otherwise transfer the lot or home to that person's

1 family member who is without fee title to any real property of that  
2 person's own, and whose income does *not* exceed the limits  
3 established for a low or medium income family or a head of a  
4 household residing in low rent housing projects operated by the  
5 Authority; *provided*, that in case of a sale, the prospective  
6 purchaser shall secure approved loan or financing for the  
7 construction or purchase of a residence, or a conditional letter of  
8 intent or the equivalent. In case the prospective purchaser is a  
9 lessee of a Chamorro Land Trust residential lot, the applicant  
10 shall, immediately upon the purchase of a property or an  
11 affordable home in the As-Tumbo Subdivision, cancel or  
12 surrender that person's lease of the residential lot with the  
13 Chamorro Land Trust Commission.

14 (b) After a period of five (5) years from the date of  
15 purchase of a lot or home pursuant to this Article, any grantee(s)  
16 may sell, convey or otherwise transfer the lot or home to a first-  
17 time homeowner who is a resident of Guam and whose income  
18 does *not* exceed the limits established for a low or medium income  
19 family or a head of a household residing in low rent housing  
20 projects operated by the Authority; *provided*, that in case of a sale,  
21 the prospective purchaser secures approved loan or financing for  
22 the construction of a residence, or a conditional letter of intent or  
23 the equivalent. In case the prospective purchaser is a lessee of a  
24 Chamorro Land Trust residential lot, the applicant shall,  
25 immediately upon the purchase of a property or an affordable

1           home in the As-Tumbo Subdivision, cancel or surrender the  
2           applicant's lease of the residential lot with the Chamorro Land  
3           Trust Commission."

4           **Section 8. Severability.** *If* any provision of this Law or its  
5 application to any person or circumstance is found to be invalid or contrary to  
6 law, such invalidity shall *not* affect other provisions or applications of this  
7 Law which can be given effect without the invalid provisions or application,  
8 and to this end the provisions of this Law are severable.

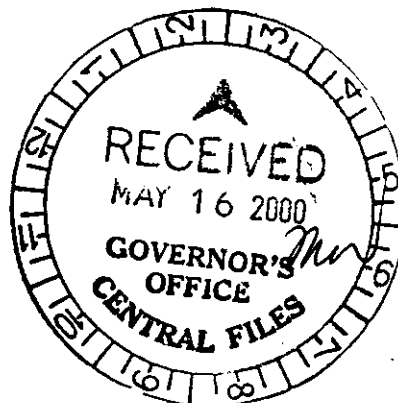


COPY

**MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN**  
**TWENTY-FIFTH GUAM LEGISLATURE**  
155 Hesler Street, Hagåtña, Guam 96910

May 16, 2000

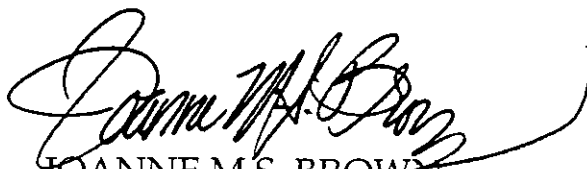
The Honorable Carl T.C. Gutierrez  
*I Maga'lahaen Guahan*  
*Ufisinan I Maga'lahi*  
*Hagåtña, Guam 96910*



Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Substitute Bill Nos. 410(COR) and 379(COR) and Bill Nos. 283(COR), 367(COR) and 405(COR) which were passed by *I Mina' Bente Singko Na Liheslaturan Guahan* on May 11, 2000.

Sincerely,


  
JOANNE M.S. BROWN  
Senator and Legislative Secretary

Enclosure (5)

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN  
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Bill No. 283 (COR) "AN ACT TO AMEND §§5408(d) AND 5411(a), AND TO ADD §§5412, 5413, 5414 AND 5415, ALL WITHIN ARTICLE 4, CHAPTER 5 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS, AND TO AUTHORIZING GHURA TO DEVELOP AND SELL THE REMAINING LOTS OF THE AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW AND MEDIUM INCOME RESIDENTS OF GUAM," was on the 11<sup>th</sup> day of May 2000, duly and regularly passed.



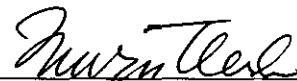
ANTONIO R. UNPINGCO  
Speaker

Attested:



JOANNE M.S. BROWN  
Senator and Legislative Secretary

-----  
This Act was received by I Maga'lahaen Guahan this 11<sup>th</sup> day of May, 2000,  
at 2:45 o'clock PM.



Assistant Staff Officer  
Maga'lahaen's Office

APPROVED:

\_\_\_\_\_  
CARL T. C. GUTIERREZ  
I Maga'lahaen Guahan

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_



**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**1999 (FIRST) Regular Session**

**Bill No. 283 (COR)**

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Introduced by:

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11 issues in the controversy.”

12 **Section 3.** Section 5411(a) of Article 4, Chapter 5 of Title 12 of the  
13 Guam Code Annotated is hereby *amended* to read as follows:

14 “(a) The Board shall promulgate reasonable rules and  
15 regulations, pursuant to the Administrative Adjudication Law, to effect  
16 the purpose of this Chapter, which regulations shall include  
17 requirements that:

18 (i) the grantee(s) must personally occupy the property  
19 conveyed and *not* lease it to others;

20 (ii) the property may *not* be conveyed by the grantee(s) to  
21 a third party, *except* that a mortgage to a *bona fide* lending  
22 institution or a non-profit corporation organized under the laws of  
23 Guam that has been approved by GHURA to secure funds to

1           construct a residence on the property shall *not* be a violation of  
2           such rule, even if such mortgage is foreclosed; *and*

3           (iii) each deed of conveyance shall contain a right of  
4           reverter clause to the Authority in the event such regulations are  
5           violated.”

6           **Section 4.** Section 5412 is hereby *added* to Article 4, Chapter 5 of Title 12  
7 of the Guam Code Annotated to read as follows:

8           **“Section 5412.   Development of Affordable Housing.**

9           Effective March 1, 2000, the Authority may, notwithstanding any  
10          law, rule or regulation to the contrary, develop affordable housing  
11          within the As-Tumbo Subdivision on any lot that has *not* yet been  
12          conveyed to a buyer in accordance with the provisions of this Article,  
13          including:

14          (a)   lots that have been assigned to an applicant, but for  
15          which the applicant has *not* entered into a contract of sale with the  
16          Authority; *and*

17          (b)   lots that are subject to a contract of sale, where the  
18          buyer has defaulted on the contract or breached a provision  
19          thereof, or where the contract has been rescinded, cancelled or  
20          otherwise terminated.”

21          **Section 5.** Section 5413 is hereby *added* to Article 4, Chapter 5 of Title 12  
22 of the Guam Code Annotated to read as follows:

23          **“Section 5413.   Sale of Affordable Homes.**

1 (a) Notwithstanding any law, rule or regulation to the  
2 contrary, the Authority shall sell the properties developed  
3 pursuant to §5412 of this Article for less than fair market value to  
4 families or heads of households who are lawful permanent  
5 residents or citizens of the United States and who are *bona fide*  
6 residents of Guam.

7 (b) Such sales shall be in accordance with and limited to  
8 the following preferences:

9 (1) *first preference* shall be given to tenants of low-  
10 rent housing programs operated by the Guam Housing  
11 Corporation or the Authority and adult children of grantees  
12 of lots in the As-Tumbo Subdivision who are without fee  
13 title to any real property of their own in or out of Guam and  
14 who qualify as low or moderate income; *and*

15 (2) *second preference* shall be given to any resident of  
16 Guam without fee title to any real property in or out of  
17 Guam and who qualifies as low or moderate income.

18 (c) In carrying out the provisions of this Section, the  
19 Authority shall require a sworn statement from each applicant as  
20 to such applicant's ownership of land on Guam or elsewhere. In  
21 case the applicant is a lessee of a Chamorro Land Trust residential  
22 lot, the applicant shall, *immediately* upon the purchase of a  
23 property or an affordable home in the As-Tumbo Subdivision,  
24 cancel or surrender the applicant's lease of the residential lot with  
25 the Chamorro Land Trust Commission.

1 (d) The prospective purchaser shall secure approved loan  
2 or financing for the construction or purchase of a residence, or a  
3 conditional letter of intent or the equivalent.

4 (e) Each deed shall be subject to a right of reverter to the  
5 Authority *if*:

6 (i) such statement on non-ownership was false; *or*

7 (ii) the grantee(s) sells or leases to a third party any  
8 of the property *after* the date of execution of the deed  
9 contrary to the provisions of this Article.

10 (f) The Authority shall, by resolution, establish an  
11 application period or periods of reasonable length. During the  
12 application period, the Authority shall accept applications to  
13 purchase homes within the Subdivision. After the close of the  
14 application period, the Authority shall review all applications, and  
15 for applicant families or heads of households who are found  
16 eligible, assign preferences to each application. Within each  
17 preference, a priority number shall be assigned. Said priority  
18 number shall be established by lot. The Authority shall dispose of  
19 the homes by selling them first to first preference families or heads  
20 of households in the order of their respective priority numbers.  
21 When all families or heads of households submitting first  
22 preference applications have been offered homes, the remaining  
23 homes shall then be offered in the same manner to second  
24 preference applicant families or heads of households. The priority  
25 number system shall be used to determine which purchaser shall

1 be entitled to which home and shall also govern in the case that  
2 there are more purchasers in a preference category than homes  
3 available.

4 (g) The sale of homes shall begin as soon as practicable  
5 after the close of the application period. After determination of  
6 eligibility, each applicant shall, *prior to* the expiration of a time set  
7 by the Authority, make arrangement to purchase his or her home.

8 (h) As used in §§5413-5415:

9 (1) '*First-time homeowner*' means any family or head  
10 of a household who has *not* had any ownership interest in a  
11 home within the five (5) years preceding the date of  
12 application, or had an ownership interest in a home within  
13 the five (5) year preceding the date of application, but such  
14 interest was terminated by a decree of divorce or operation  
15 of law;

16 (2) '*Low or moderate income*' means a family whose  
17 income does *not* exceed eighty percent (80%) of the median  
18 income for Guam, as defined in the U.S. Department of  
19 Housing Urban Development's housing assistance programs  
20 administered by the Authority; *and*

21 (3) '*Resident of Guam*' means a United States citizen  
22 or permanent resident alien who has resided on Guam for a  
23 period of *not less than* five (5) years immediately preceding  
24 the date of application. An individual who has *not* been a



1 five (5) year resident for the period immediately preceding  
2 the date of application shall be deemed a resident of Guam *if*  
3 the applicant's residency change was due to active service in  
4 the United States Armed Forces, or for attendance on a full-  
5 time basis at an institution of higher education; *provided*, that  
6 the applicant was a five (5) year resident for the period  
7 immediately preceding the start of such active duty or  
8 education."

9 **Section 6.** Section 5414 is hereby *added* to Article 4, Chapter 5 of Title 12  
10 of the Guam Code Annotated to read as follows:

11 **"Section 5414. Deed Covenants.** (a) *Except* as provided  
12 for in §5415 of this Article, the deeds conveying the properties  
13 developed pursuant to §5412 of this Article shall, among other  
14 provisions agreed by the Board, contain:

15 (1) a covenant that for a period of ten (10) years  
16 commencing on the date of the conveyance, the grantee(s) or  
17 the heirs of the grantee(s) must personally occupy the  
18 property conveyed and *not* lease it to others;

19 (2) a covenant that for a period of ten (10) years  
20 commencing on the date of the conveyance, the grantee(s),  
21 may *not* convey or otherwise alienate the property to a third  
22 party, *except* that a mortgage to a *bona fide* lending institution  
23 to secure funds to purchase or construct a residence on the  
24 property or, that a mortgage to a non-profit corporation

1 organized under the laws of Guam that has been approved  
2 by GHURA for the purpose of constructing a residence on  
3 the property, shall *not* be a violation of such rule even if such  
4 mortgage is foreclosed; *and*

5 (3) a right of reverter clause to the Authority in the  
6 event that any of the conditions, covenants or restrictions of  
7 the deed are violated.

8 (b) *Except as provided for in §5415 of this Article, any covenants*  
9 *or restrictions in all existing deeds granted by the Authority pursuant to*  
10 *§5401 through §5411 of Title 12 of the Guam Code Annotated, are*  
11 *hereby and shall be deemed to be amended to terminate ten (10) years*  
12 *after the initial conveyance. As soon as practicable after the effective*  
13 *date of this provision, the Authority shall record with the Department of*  
14 *Land Management a document and release noting such amendment*  
15 *with respect to all affected lot numbers, and shall also give public notice*  
16 *of such amendment."*

17 **Section 7.** Section 5415 is hereby *added* to Article 4, Chapter 5 of Title 12  
18 of the Guam Code Annotated to read as follows:

19 **"Section 5415. Resale or Conveyance.**

20 Notwithstanding any other provisions of law, rule or regulation to  
21 the contrary:

22 (a) after a period of one (1) year from the date of purchase  
23 of a lot or home pursuant to this Article, any grantee(s) may sell,  
24 convey or otherwise transfer the lot or home to that person's

1 family member who is without fee title to any real property of that  
2 person's own, and whose income does *not* exceed the limits  
3 established for a low or medium income family or a head of a  
4 household residing in low rent housing projects operated by the  
5 Authority; *provided*, that in case of a sale, the prospective  
6 purchaser shall secure approved loan or financing for the  
7 construction or purchase of a residence, or a conditional letter of  
8 intent or the equivalent. In case the prospective purchaser is a  
9 lessee of a Chamorro Land Trust residential lot, the applicant  
10 shall, immediately upon the purchase of a property or an  
11 affordable home in the As-Tumbo Subdivision, cancel or  
12 surrender that person's lease of the residential lot with the  
13 Chamorro Land Trust Commission.

14 (b) After a period of five (5) years from the date of  
15 purchase of a lot or home pursuant to this Article, any grantee(s)  
16 may sell, convey or otherwise transfer the lot or home to a first-  
17 time homeowner who is a resident of Guam and whose income  
18 does *not* exceed the limits established for a low or medium income  
19 family or a head of a household residing in low rent housing  
20 projects operated by the Authority; *provided*, that in case of a sale,  
21 the prospective purchaser secures approved loan or financing for  
22 the construction of a residence, or a conditional letter of intent or  
23 the equivalent. In case the prospective purchaser is a lessee of a  
24 Chamorro Land Trust residential lot, the applicant shall,  
25 immediately upon the purchase of a property or an affordable

1           home in the As-Tumbo Subdivision, cancel or surrender the  
2           applicant's lease of the residential lot with the Chamorro Land  
3           Trust Commission."

4           **Section 8. Severability.**   *If* any provision of this Law or its  
5 application to any person or circumstance is found to be invalid or contrary to  
6 law, such invalidity shall *not* affect other provisions or applications of this  
7 Law which can be given effect without the invalid provisions or application,  
8 and to this end the provisions of this Law are severable.

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN  
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Bill No. 282 (COR) "AN ACT TO AUTHORIZE I MAGA'LAHEN GUÅHAN TO SELL LOT NO. 5-1, BLOCK 9, TALOFOFO VILLAGE, GUAM TO MR. MANUEL M. MERFALEN AND MRS. TRINIDAD C. MERFALEN," was on the 11<sup>th</sup> day of May 2000, duly and regularly passed.

\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker

Attested:

\_\_\_\_\_  
**JOANNE M.S. BROWN**  
Senator and Legislative Secretary

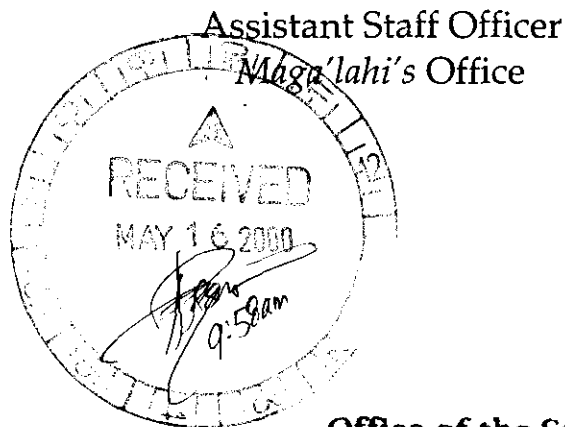
-----  
This Act was received by *I Maga'lahen Guahan* this \_\_\_\_\_ day of \_\_\_\_\_, 2000,  
at \_\_\_\_\_ o'clock \_\_\_\_\_.M.

APPROVED:

\_\_\_\_\_  
**CARL T. C. GUTIERREZ**  
*I Maga'lahen Guahan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_



Office of the Speaker  
**ANTONIO R. UNPINGCO**  
Date: 5-15-2000  
Time: 2:15  
Rec'd by: [Signature]  
Print Name: JAER

**CLERK OF THE LEGISLATURE**  
**TRANSMISSION CHECKLIST TO I MAGA'LAHEN GUAHAN**

(Included in File w/ All Bills Transmitted)

BILL NO. 283(e)

**FINAL PROOF-READING OF BLUEBACK COPY**

Initialed by:

and Date:

- EXHIBITS ATTACHED
- CONFIRM NUMBER OF PAGES 12
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION
- ENGROSSED SIGN "\*" REMOVED FROM BILL
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY
- EMERGENCY DECLARATION, if any

Confirmed By: \_\_\_\_\_

Dated: \_\_\_\_\_

- HAND CARRY BILL IN BLUEBACK (ORIGINAL & COPY)  
TO THE GOVERNOR. (DANNY, ROBERT OR OTHERS )
- ACKNOWLEDGED COPY W/ ORIGINAL BLUEBACK  
PLACED ON CLERK'S DESK. (Same copy given to Susan)
- FILED by: Danny, Robert or others

# I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

2000 (SECOND) Regular Session

Date: 5/11/2000

## VOTING SHEET

Bill No. 283 (COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
AGUON, Frank B., Jr.	✓			✓	
BERMUDES, Eulogio C.	1 ✓				
BLAZ, Anthony C.	1 ✓				
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II					EA
UNPINGCO, Antonio R.	✓				

TOTAL

14 \_\_\_\_\_

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



**FILE**  
**COPY**

**MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN**  
**TWENTY-FIFTH GUAM LEGISLATURE**  
155 Hesler Street, Hagåtña, Guam 96910

March 1, 2000

( DATE )

Memorandum

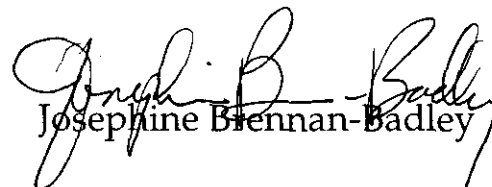
To: Senator Vicente C. Pangelinan

From: Clerk of the Legislature

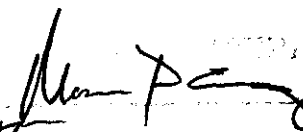
Subject: Report on Bill No. 283 (COR)

Pursuant to §7.04 of Rule VII of the 25<sup>th</sup> Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 283 (COR), for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.

  
Josephine Brennan-Badley

Attachment

  
8:30 AM  
03-01-00



**Senator Kaleo S. Moylan**  
**Chairperson, Committee on Housing,**  
**General Government Services and Foreign Affairs**  
*Mina'Bente Singko Na Liheslaturan Guåhan*  
**Twenty-Fifth Guam Legislature**

February 29, 2000

Honorable Antonio R. Unpingco  
Speaker  
*Mina'Bente Singko Na Liheslaturan Guåhan*  
Hagåtña, Guam 96910

VIA: Chairperson, Committee on Rules, Government Reform, Reorganization and  
Federal Affairs

Dear Mr. Speaker:

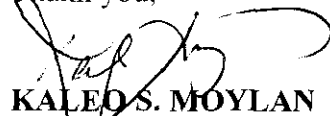
The Committee on Housing, General Government Services and Foreign Affairs, to which was referred **Bill No. 283 (COR)**, "**AN ACT TO AMEND SUBSECTION (d) OF §5408 ADD NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW- AND MEDIUM-INCOME RESIDENTS OF GUAM,**" has had the same under consideration, and now wishes to report back the same with the recommendation to do pass as amended by the Committee.

The Committee votes are as follows:

<u>8</u>	To Do Pass
—	Not to Pass
—	Abstain
—	Inactive File

A copy of the Committee Report and other pertinent documents are attached for your immediate reference and information.

Thank you,

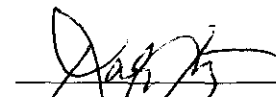
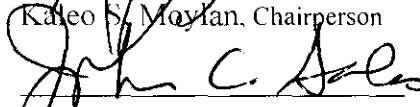
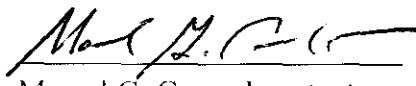
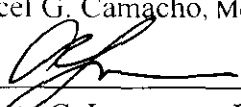
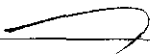
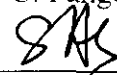
  
**KALEO S. MOYLAN**  
Chairperson

Enclosure:

**Committee Housing, General  
Government Services and Foreign Affairs  
Vote Sheet on  
Bill No. 283 (COR)**

*As amended by the Committee on Housing, General Government Services and Foreign Affairs.*

**“AN ACT TO AMEND SUBSECTION (d) OF §5408 ADD NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW- AND MEDIUM-INCOME RESIDENTS OF GUAM.”**

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
 Kaleo S. Moylan, Chairperson	↓			
 John C. Salas, Vice Chairperson	✓			
Antonio R. Unpingco, Speaker & Ex-Officio				
Frank B. Aguon, Jr., Member	✓			
Anthony C. Blaz, Member				
 Marcel G. Camacho, Member	✓			
 Alberto C. Lamorena, V, Member	↓			
Carlotta A. Leon Guerrero, Member				
 Vicente C. Pangelinan, Member	✓			
 Simon A. Sanchez, II, Member	✓			

**Committee on Housing, General  
Government Services and Foreign Affairs  
Report On  
Bill No. 283 (COR)  
*As amended by the Committee.***

**AN ACT TO *AMEND* SUBSECTION (d) OF §5408 *ADD NEW* §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW- AND MEDIUM-INCOME RESIDENTS OF GUAM.** Introduced by Senators V. C. Pangelinan and K. S. Moylan.

**PUBLIC HEARING:** The Committee on Housing, General Government Services, to which was referred Bill No. 283 (COR), “AN ACT TO *AMEND* SUBSECTION (d) OF §5408 *ADD NEW* §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW- AND MEDIUM-INCOME RESIDENTS OF GUAM,” conducted a public hearing on Friday, November 5, 1999, at the Legislative Public Hearing Room, 155 Hesler Street, Hagåtña.

**MEMBERS PRESENT:** Senator Kaleo S. Moylan, Chairperson of the Committee on Housing, General Government Services and Foreign Affairs convened the hearing at 9:00 a.m. Committee members in attendance were Senators John C. Salas, Vicente C. Pangelinan, and Frank B. Aguon, Jr.

**TESTIMONY:** Appearing before the Committee were Mr. Albert Santos and Ronald Lujan both from GHURA and Dededo Mayor Jose Rivera. All three witnesses testified in support of Bill No. 283, saying that that have no objections to the intent of *I Liheslaturan Guåhan* to fulfill the original intent of the reservation of the As-Tumbo Subdivision to build affordable homes for the low and moderate income residents of Guam.

According to Mayor Rivera, approximately forty (40) lots are currently unassigned, as initial assignees are unable to complete the purchase. Furthermore, he elaborated saying that the proposed legislation is intended to deter and protect individuals from returning to landless status, given the fact that existing law contain certain restrictions, including valid transfers of title to family members, which have impeded the materialization of a dream home for other qualified families. Absent an

authorization to convey title to the property, such lots continue to lie idle. The representatives from GHURA stated that Bill No. 283 has in the past in separate policy decisions, authorized the sale of public lots to landless residents of Guam at Two Thousand Five Hundred Dollars (\$2,500.00), the same price imposed on the purchasers of As-Tumbo lots. Purchasers of other “land for the landless” lots, however, after a period of ten (10) years from the date of purchase, are allowed to sell, convey or otherwise transfer title or interest in the lot.

There being no further witnesses, the Chairman adjourned the Committee hearing on Bill No. 283 (COR).

FINDINGS: The Committee to which was referred Bill No. 283 (COR), finds that:

- The As-Tumbo Subdivision was established to provide many low- and moderate-income families of Guam an opportunity to build affordable housing. Many original purchasers of the residential lots at below fair market rate, do not have the resources to obtain the necessary financing needed to develop their respective lots.
- Strict limitations were imposed on purchasers of lots in the Subdivision, preventing any sale, transfer or lease of such properties, and leaving many lots fallow.
- Approximately forty (40) lots are currently unassigned, as initial assignees are unable to complete the purchase. Intended to deter and protect individuals from returning to landless status, such restrictions, including valid transfers of title to family members, have severely impeded the materialization of a dream home for other qualified families. Absent an authorization to convey title to the property, such lots continue to lie idle.
- Furthermore, *I Liheslaturan Guåhan* finds that the government, in separate policy decisions in the past, authorized the sale of public lots to landless residents of Guam at \$2,500.00, the same price imposed on the purchasers of As-Tumbo lots. Purchasers of other “*land for the landless*” lots, however, after a period of ten (10) years from the date of purchase, are allowed to sell, convey or otherwise transfer title or interest in the lot.
- To fulfill the original intent of the reservation of the As-Tumbo Subdivision to build affordable homes for the low and moderate income residents of Guam the legislation authorizes the resale, conveyance, lease or transfer of lots in the As-Tumbo Subdivision, first to qualified family members of the original purchasers, then later to other prospective, qualified first-time homeowners.

RECOMMENDATION: The Committee, having reviewed the testimonies presented at the public hearing, does hereby recommend that Bill No. 283 (COR), “AN ACT TO *AMEND* SUBSECTION (d) OF §5408 *ADD NEW* §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO

FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW- AND MEDIUM-INCOME RESIDENTS OF GUAM,” as amended by the Committee, be passed by *I Liheslaturan Guåhan*.

### **Profile on Bill No. 283 (COR)**

Brief Title: “Authorizing Purchasers of the As-Tumbo Subdivision Lots to sell, convey, lease or transfer their lots to family members.

Date Introduced: August 17, 1999.

Main Sponsor: Senators V. C. Pangelinan and K. S. Moylan.

Committee Referral: From the Committee on Rules, Government Reform, Reorganization and Federal Affairs to the Committee on Housing, General Government Services and federal Affairs on October 25, 1999.

Public Hearing: Friday, November 5, 1999, at the Legislative Public Hearing Room.

Official Title: AN ACT TO *AMEND* SUBSECTION (d) OF §5408 *ADD* NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW- AND MEDIUM-INCOME RESIDENTS OF GUAM.

Recommendation: To do pass as amended by the Committee on Housing, General Government Services and Foreign Affairs.


Intent: It is the intent of *I Liheslaturan Guåhan* to authorize the purchasers of the As-Tumbo Subdivision Lots to sell, convey, lease or transfer their lots to immediate family members. To accomplish this, the owner of record would be authorized to resale, convey, lease or transfer of lots in the As-Tumbo Subdivision, first to qualified family members of the original purchasers, then later to other prospective, qualified first-time homeowners. Secondly, Guam Housing and Urban Renewal Authority would be authorized to develop and sell the properties, to fulfill the mission of providing affordable housing to qualified low and moderate income residents of Guam.

**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**1999 (FIRST) Regular Session**

**Bill No. 283 (COR)**

As amended by the Committee on  
Housing, General Government Services  
and Foreign Affairs.

Introduced by:

V. C. Pangelinan 

K. S. Moylan 

**AN ACT TO AMEND SUBSECTION (d) OF §5408 ADD  
NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE 12,  
GUAM CODE ANNOTATED, RELATIVE TO  
AUTHORIZING PURCHASERS OF LOTS IN THE  
AS-TUMBO SUBDIVISION TO SELL, CONVEY,  
LEASE OR TRANSFER THEIR LOTS TO FAMILY  
MEMBERS AND TO AUTHORIZING GUAM  
HOUSING AND URBAN RENEWAL AUTHORITY  
TO DEVELOP AND SELL THE REMAINING LOTS  
OF AS-TUMBO SUBDIVISION FOR THE PURPOSE  
OF PROVIDING AFFORDABLE HOUSING TO LOW-  
AND MEDIUM-INCOME RESIDENTS OF GUAM.**

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

**Section 1. Legislative Statement.** *I Liheslaturan Guåhan* finds that the As-Tumbo Subdivision was established to provide many low- and moderate-income families of Guam an opportunity to build affordable housing. Many original purchasers of the residential lots at below fair market rate, however, do not have the resources obtain necessary financing to develop these properties for prospective occupancy. Moreover, strict limitations were imposed on purchasers of lots in the Subdivision, preventing any sale, transfer or lease of such properties, and leaving many lots fallow.

1           Also, *I Liheslaturan Guåhan* further finds that, additionally, approximately  
2 forty (40) lots are currently unassigned, as initial assignees are unable to complete the  
3 purchase. Intended to deter and protect individuals from returning to landless status,  
4 such covenantal restrictions, including valid transfers of title to family members, have  
5 severely impeded the materialization of a dream home for other qualified families.  
6 Absent an authorization to convey title to the property, such lots continue to lie idle.

7           Furthermore, *I Liheslaturan Guåhan* finds that the government, in separate  
8 policy decisions in the past, authorized the sale of public lots to landless residents of  
9 Guam at Two Thousand Five Hundred Dollars (\$2,500.00), the same price imposed  
10 on the purchasers of As-Tumbo lots. Purchasers of other “land for the landless” lots,  
11 however, after a period of ten (10) years from the date of purchase, are allowed to  
12 sell, convey or otherwise transfer title or interest in the lot.

13           Therefore, it is the intent of *I Liheslaturan Guåhan* to fulfill the original intent  
14 of the reservation of the As-Tumbo Subdivision to build affordable homes for the low  
15 and moderate income residents of Guam by:

16           (1) Authorizing the resale, conveyance, lease or transfer of lots in the  
17 As-Tumbo Subdivision, first to qualified family members of the original  
18 purchasers, then later to other prospective, qualified first-time homeowners.

19           (2) Authorizing the Guam Housing and Urban Renewal Authority to  
20 develop and sell the properties, to fulfill the mission of providing affordable  
21 housing to qualified low and moderate income residents of Guam.

22           **Section 2.** Section 5408(d) of Article 4, Chapter 5 of Title 12 of the Guam  
23 Code Annotated is hereby *amended* to read as follows:

24           “(d) Except as provided for in §§ 5414 and 5415 of this Article, [T]the  
25 Authority in any instrument of conveyance to a purchaser may provide that  
26 such purchaser shall be without the power to sell, lease or otherwise transfer

1 the real property without the prior written consent of the Authority until he has  
2 completed the construction of any and all improvements which he has  
3 obligated himself to construct thereon and the Authority may provide, in any  
4 such instrument of conveyance, that such real property shall revert to or revert  
5 in the Authority, at its discretion, upon a breach or violation of any condition,  
6 covenant, restriction, undertaking or other requirements relating to the use of  
7 the property or otherwise without relieving any purchaser and successors or  
8 assigns of any obligation assumed by such purchaser and without liability on  
9 the part of the Authority for any claim arising from such retesting or reversion.  
10 The Authority, upon a certification by it to a court of competent jurisdiction  
11 that any purchaser, their successors and assigns has breached or violated any  
12 condition, covenant, restriction, undertaking or requirement, shall be entitled to  
13 immediate relief (without bond or liability for damages) restraining and  
14 enjoining any such breach or violation, pending the determination of the issues  
15 in the controversy.”

16 **Section 3.** Section 5411(a) of Article 4, Chapter 5 of Title 12 of the Guam  
17 Code Annotated is hereby *amended* to read as follows:

18 “(a) The Board shall promulgate reasonable rules and regulations,  
19 pursuant to the Administrative Adjudication Law, to effect the purpose of this  
20 Chapter, which regulations shall include requirements that (i) the grantee(s)  
21 must personally occupy the property conveyed and not lease it to others, (ii) the  
22 property may not be conveyed by the grantee(s) to a third party, except that a  
23 mortgage to a bona fide lending institution or a non-profit corporation  
24 organized under the laws of Guam that has been approved by GHURA to  
25 secure funds to construct a residence on the property shall not be a violation of  
26 such rule even if such mortgage is foreclosed, and (iii) each deed of



1 conveyance shall contain a right of reverter clause to the Authority in the event  
2 such regulations are violated.”

3 **Section 4.** A new Section 5412 is hereby *added* to Article 4, Chapter 5 of  
4 Title 12 of the Guam Code Annotated to read as follows:

5 **“Section 5412. Development of Affordable Housing.** Effective  
6 March 1, 2000, the Authority may, notwithstanding any law, rule or regulation  
7 to the contrary, develop affordable housing within the As-Tumbo Subdivision  
8 on any lot that has not yet been conveyed to a buyer in accordance with the  
9 provisions of this Article, including:

10 (a) Lots that have been assigned to an applicant, but for which  
11 the applicant has not entered into a contract of sale with the Authority;  
12 *and*

13 (b) Lots that are subject to a contract of sale, where the buyer  
14 has defaulted on the contract or breached a provision thereof, or where  
15 the contract has been rescinded, cancelled or otherwise terminated.”

16 **Section 4.** A new Section 5413 is hereby *added* to Article 4, Chapter 5 of  
17 Title 12 of the Guam Code Annotated to read as follows:

18 **“Section 5413. Sale of Affordable Homes.** (a) Notwithstanding  
19 any law, rule or regulation to the contrary, the Authority shall sell the  
20 properties developed pursuant to §5412 of this Article for less than fair market  
21 value to families or heads of households who are lawful permanent residents or  
22 citizens of the United States and who are bona fide residents of Guam.

23 (b) Such sales shall be in accordance with and limited to the following  
24 preferences:

25 (1) First preference shall be given to tenants of low-rent  
26 housing programs operated by the Guam Housing Corporation or the

1 Authority and adult children of grantees of lots in the As-Tumbo  
2 Subdivision who are without fee title to any real property of their own in  
3 or out of Guam and who qualify as low or moderate income.

4 (2) Second preference shall be given to any resident of Guam  
5 without fee title to any real property in or out of Guam and who qualifies  
6 as low or moderate income.

7 (c) In carrying out the provisions of this section, the Authority shall  
8 require a sworn statement from each applicant as to such applicant's ownership  
9 of land in Guam or elsewhere. In case the applicant is a lessee of a Chamorro  
10 Land Trust residential lot the applicant shall, immediately upon the purchase  
11 of a property or an affordable home in the As-Tumbo Subdivision, cancel or  
12 surrender his or her lease of the residential lot with the Chamorro Land Trust  
13 Commission.

14 (d) The prospective purchaser shall secure approved loan or financing  
15 for the construction or purchase of a residence, or a conditional letter of intent  
16 or the equivalent

17 (e) Each deed shall be subject to a right of reverter to the Authority if  
18 (i) such statement on non-ownership was false or (ii) the grantee(s) sells or  
19 leases to a third party any of the property after the date of execution of the  
20 deed contrary to the provisions of this Article.

21 (f) The Authority shall, by resolution, establish an application period  
22 or periods of reasonable length. During the application period, the Authority  
23 shall accept applications to purchase homes within the Subdivision. After the  
24 close of the application period, the Authority shall review all applications and  
25 for applicant families or heads of households who are found eligible assign  
26 preferences to each application. Within each preference, a priority number

1 shall be assigned. Said priority number shall be established by lot. The  
2 Authority shall dispose of the homes by selling them first to first preference  
3 families or heads of households in the order of their respective priority  
4 numbers. When all families or heads of households submitting first preference  
5 applications have been offered homes, the remaining homes shall then be  
6 offered in the same manner to second preference applicant families or heads of  
7 households. The priority number system shall be used to determine which  
8 purchaser shall be entitled to which home and shall also govern in the case  
9 that there are more purchasers in a preference category than homes available.

10 (g) The sale of homes shall begin as soon as practicable after the close  
11 of the application period. After determination of eligibility, each applicant  
12 shall, prior to the expiration of a time set by the Authority, make arrangement  
13 to purchase his or her home.

14 (h) As used in §§5413-5415:

15 (1) “*First-time homeowner*” means any family or head of a  
16 household who has not had any ownership interest in a home within the  
17 five (5) years preceding the date of application, or had an ownership  
18 interest in a home within the five (5) year preceding the date of  
19 application, but such interest was terminated by a decree of divorce or  
20 operation of law;

21 (2) “*Low or moderate income*” means a family whose income  
22 does not exceed eighty percent (80%) of the median income for Guam as  
23 defined in the U. S. Department of Housing Urban Development’s  
24 housing assistance programs administered by the Authority; and

25 (3) “*Resident of Guam*” means a United States citizen or  
26 permanent resident alien who has resided in Guam for a period of not

1 less than five (5) years immediately preceding the date of application.  
2 An individual who has not been a five (5) year resident for the period  
3 immediately preceding the date of application shall be deemed a resident  
4 of Guam if the applicant's residency change was due to active service in  
5 the United States Armed Forces or for attendance on a full-time basis at  
6 an institution of higher education; provided, that the applicant was a five  
7 (5) year resident for the period immediately preceding the start of such  
8 active duty or education."

9 **Section 5.** A new Section 5414 is hereby *added* to Article 4, Chapter 5 of  
10 Title 12 of the Guam Code Annotated to read as follows:

11 **"Section 5414. Deed Covenants.** (a) Except as provided  
12 for in §5415 of this Article, the deeds conveying the properties developed  
13 pursuant to §5412 of this Article shall, among other provisions agreed by the  
14 Board, contain:

15 (1) A covenant that for a period of ten (10) years commencing  
16 on the date of the conveyance, the grantee(s) or the heirs of the  
17 grantee(s) must personally occupy the property conveyed and not lease it  
18 to others;

19 (2) A covenant that for a period of ten (10) years commencing  
20 on the date of the conveyance, the grantee(s), may not convey or  
21 otherwise alienate the property to a third party, except that a mortgage to  
22 a bona fide lending institution to secure funds to purchase or construct a  
23 residence on the property or, that a mortgage to a non-profit corporation  
24 organized under the laws of Guam that has been approved by GHURA  
25 for the purpose of constructing a residence on the property, shall not be a  
26 violation of such rule even if such mortgage is foreclosed; and

1           (3) A right of reverter clause to the Authority in the event that  
2 any of the conditions, covenants or restrictions of the deed are violated.

3           (b) Except as provided for in §5415 of this Article, any covenants or  
4 restrictions in all existing deeds granted by the Authority pursuant to §5401  
5 through §5411 of Title 12, Guam Code Annotated, are hereby and shall be  
6 deemed to be amended to terminate ten (10) years after the initial conveyance.  
7 As soon as practicable after the effective date of this provision, the Authority  
8 shall record with the Department of Land Management a document and release  
9 noting such amendment with respect to all affected lot numbers, and shall also  
10 give public notice of such amendment.”

11       **Section 6.** A new Section 5415 is hereby *added* to Article 4, Chapter 5 of  
12 Title 12 of the Guam Code Annotated to read as follows:

13           **“Section 5415. Resale or Conveyance.** Notwithstanding any other  
14 provisions of law, rule or regulation to the contrary:

15           (a) After a period of one (1) year from the date of purchase of a  
16 lot or home pursuant to this Article, any grantee(s) may sell, convey or  
17 otherwise transfer the lot or home to his or her family member who is  
18 without fee title to any real property of his or her own and whose income  
19 does not exceed the limits established for a low or medium income  
20 family or a head of a household residing in low rent housing projects  
21 operated by the Authority, provided that in case of a sale, the prospective  
22 purchaser shall secure approved loan or financing for the construction or  
23 purchase of a residence, or a conditional letter of intent or the equivalent.  
24 In case the prospective purchaser is a lessee of a Chamorro Land Trust  
25 residential lot the applicant shall, immediately upon the purchase of a  
26 property or an affordable home in the As-Tumbo Subdivision, cancel or

1 surrender his or her lease of the residential lot with the Chamorro Land  
2 Trust Commission.

3 (b) After a period of five (5) years from the date of purchase of  
4 a lot or home pursuant to this Article, any grantee(s) may sell, convey or  
5 otherwise transfer the lot or home to a first-time homeowner who is a  
6 resident of Guam and whose income does not exceed the limits  
7 established for a low or medium income family or a head of a household  
8 residing in low rent housing projects operated by the Authority, provided  
9 that in case of a sale, the prospective purchaser secures approved loan or  
10 financing for the construction of a residence, or a conditional letter of  
11 intent or the equivalent. In case the prospective purchaser is a lessee of a  
12 Chamorro Land Trust residential lot the applicant shall, immediately  
13 upon the purchase of a property or an affordable home in the As-Tumbo  
14 Subdivision, cancel or surrender his or her lease of the residential lot  
15 with the Chamorro Land Trust Commission.”

16 **Section 7. Severability.** *If any provision of this Law or its application to*  
17 *any person or circumstance is found to be invalid or contrary to law, such invalidity*  
18 *shall not affect other provisions or applications of this Law which can be given effect*  
19 *without the invalid provisions or application, and to this end the provisions of this*  
20 *Law are severable."*



**MINISTRO BENTE SINGKO NA LEHESLATURAN GUAM**  
Kumitean Areklamento, Refotman Gubetnamento Siha, Inetnon di Nuebu, yan Asunton Fidirar

*Senator Mark Forbes, Chairman*  
*Kabisyon Mayurat*

**OCT 25 1999**

**MEMORANDUM**

**TO:** Chairman  
Committee on Housing, General Government Services and Foreign Affairs

**FROM:** Chairman *✗*  
Committee on Rules, Government Reform, Reorganization  
and Federal Affairs

**SUBJECT:** Principal Referral – Bill No. 283

The above bill is referred to your Committee as the Principal Committee. In accordance with Section 6.04.05. of the Standing Rules, your Committee "shall be the Committee to perform the public hearing and have the authority to amend or substitute the bill, as well as report the bill out to the Body." It is recommended that you schedule a public hearing at your earliest convenience.

Please note that a secondary referral of this bill has been made to the Committee on Land, Agriculture, Military Affairs and the Arts.

Thank you for your attention to this matter.

**MARK FORBES**

Attachment

<p>GUAM LEGISLATURE OFFICE OF SENATOR KALEO S. AYLAN ACKNOWLEDGEMENT RECEIPT Date: <u>10/25/99</u> Time: <u>2:10 PM</u> Received by: <u>[Signature]</u></p>
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**MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN**  
**1999 (FIRST) Regular Session**

Bill No. 283699  
Introduced by:

v. c. pangelinan  
K. S. Moylan

**AN ACT TO AMEND SUBSECTION (d) OF §5408  
ADD NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE  
12, GUAM CODE ANNOTATED, RELATIVE TO  
AUTHORIZING PURCHASERS OF LOTS IN THE  
AS-TUMBO SUBDIVISION TO SELL, CONVEY,  
LEASE OR TRANSFER THEIR LOTS TO FAMILY  
MEMBERS AND TO AUTHORIZING GUAM  
HOUSING AND URBAN RENEWAL AUTHORITY  
TO DEVELOP AND SELL THE REMAINING LOTS  
OF AS-TUMBO SUBDIVISION FOR THE PURPOSE  
OF PROVIDING AFFORDABLE HOUSING TO  
LOW AND MEDIUM INCOME RESIDENTS OF  
GUAM.**

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

2 **Section 1. Legislative Statement.** *I Liheslaturan Guåhan* finds that the  
3 **As-Tumbo Subdivision** was established to provide many low- and moderate-  
4 **income families** of Guam an opportunity to build affordable housing. Many  
5 **original purchasers** of the residential lots at below fair market rate, however,  
6 **do not have the resources** obtain necessary financing to develop these  
7 **properties for prospective occupancy.** Moreover, strict limitations were  
8 **imposed on purchasers** of lots in the Subdivision, preventing any sale,  
9 **transfer or lease** of such properties, and leaving many lots fallow.



1            *I Liheslaturan Guåhan* further finds that, additionally, approximate  
2 forty (40) lots are currently unassigned, as initial assignees are unable  
3 complete the purchase. Intended to deter and protect individuals from  
4 returning to landless status, such covenantal restrictions, including val  
5 transfers of title to family members, have severely impeded the  
6 materialization of a dream home for other qualified families. Absent  
7 authorization to convey title to the property, such lots continue to lie idle.

8            *I Liheslaturan Guåhan* further finds the government, in separate poli  
9 decisions in the past, authorized the sale of public lots to landless residents  
10 Guam at Two Thousand Five Hundred Dollars (\$2,500), the same price  
11 imposed on the purchasers of As-Tumbo lots. Purchasers of other "landless"  
12 the landless" lots, however, after a period of ten (10) years from the date  
13 purchase, are allowed to sell, convey or otherwise transfer title or interest  
14 the lot.

15            It is the intent of *I Liheslaturan Guåhan* to fulfill the original intent of the  
16 reservation of the As-Tumbo Subdivision to build affordable homes for the  
17 low- and moderate income residents of Guam by:

18            (1) Authorizing the resale, conveyance, lease or transfer or lease  
19 in the As-Tumbo Subdivision, first to qualified family members of the  
20 original purchasers, then later to other prospective, qualified first-time  
21 homeowners.

22            (2) Authorizing the Guam Housing and Urban Renew  
23 Authority, the caretaker of the Subdivision, to develop and sell the

1 properties, to fulfill the mission of providing affordable housing to  
2 qualified low- and moderate income residents of Guam.

3 **Section 2.** Subsection (d) of 12 GCA §5408 is amended to read:

4       “(d) Except as provided for in §§ 5414 and 5415 of this Article,  
5 The Authority in any instrument of conveyance to a purchaser may  
6 provide that such purchaser shall be without the power to sell, lease or  
7 otherwise transfer the real property without the prior written consent of  
8 the Authority until he has completed the construction of any and all  
9 improvements which he has obligated himself to construct thereon and  
10 the Authority may provide, in any such instrument of conveyance, that  
11 such real property shall revert to or revest in the Authority, at its  
12 discretion, upon a breach or violation of any condition, covenant,  
13 restriction, undertaking or other requirements relating to the use of the  
14 property or otherwise without relieving any purchaser and successors  
15 or assigns of any obligation assumed by such purchaser and without  
16 liability on the part of the Authority for any claim arising from such  
17 retesting or reversion. The Authority, upon a certification by it to a  
18 court of competent jurisdiction that any purchaser, their successors and  
19 assigns has breached or violated any condition, covenant, restriction,  
20 undertaking or requirement, shall be entitled to immediate relief  
21 (without bond or liability for damages) restraining and enjoining any  
22 such breach or violation, pending the determination of the issues in the  
23 controversy.”

24 **Section 3.** A new §5412 is added to 12 GCA to read:

1           **"§5412. Development of Affordable Housing.** Effective  
2           October 1, 1999, the Authority may, notwithstanding any law, rule or  
3           regulation to the contrary, develop affordable housing within the As-  
4           Tumbo Subdivision on any lot that has not yet been conveyed to a buyer  
5           in accordance with the provisions of this Article, including:

6                   (a) Lots that have been assigned to an applicant, but for  
7                   which the applicant has not entered into a contract of sale with the  
8                   Authority; and

9                   (b) Lots that are subject to a contract of sale, where the  
10                  buyer has defaulted on the contract or breached a provision  
11                  thereof, or where the contract has been rescinded, cancelled or  
12                  otherwise terminated."

13           **Section 4.** A new §5413 is added to 12 GCA to read:

14           **"§5413. Sale of Affordable Homes.** Notwithstanding any  
15           law, rule or regulation to the contrary, the Authority shall sell the  
16           properties developed pursuant to §5412 of this Article for less than fair  
17           market value to a single person or a family who are lawful permanent  
18           residents or citizens of the United States and who are bona fide  
19           residents of Guam. Such sales shall be in accordance with and limited  
20           to the following preferences:

21                   (a) First preference shall be given to adult children of  
22                   grantees of lots in the As-Tumbo Subdivision who are without fee  
23                   title to any real property of their own and whose income does not  
24                   exceed the limits established for a low-income family or a single

1 person residing in low rent housing projects operated by the  
2 Authority.

3 (b) Second preference shall be given to tenants of low-rent  
4 housing programs operated by the Guam Housing Corporation or  
5 the Authority who are without fee title to any real property in or  
6 out of the territory, and whose income does not exceed the limits  
7 established for a low-income family or a head of a household, as  
8 defined by the U.S. Internal Revenue Code, residing in low rent  
9 housing projects operated by the Authority.

10 (c) Third preference shall be given to any resident of  
11 Guam without fee title to any real property in or out of the  
12 territory, and whose income does not exceed the limits established  
13 for a low-income family or a head of a household, as defined by  
14 the U.S. Internal Revenue Code, residing in low rent housing  
15 projects operated by the Authority.

16 (d) In carrying out the provisions of this section, the  
17 Authority shall require a sworn statement from each applicant as  
18 to such applicant's ownership of land in Guam or elsewhere. Each  
19 deed shall be subject to a right of reverter to the Authority if (i)  
20 such statement on non-ownership was false or (ii) the grantee(s)  
21 sells or leases to a third party any of the property after the date of  
22 execution of the deed contrary to the provisions of this Article.

23 (e) The Authority shall, by resolution, establish an  
24 application period or periods of reasonable length. During the

1 application period, the Authority shall accept applications to  
2 purchase homes within the Subdivision. After the close of the  
3 application period, the Authority shall review all applications and  
4 for applicant families or single persons who are found eligible  
5 assign preferences to each application. Within each preference, a  
6 priority number shall be assigned. Said priority number shall be  
7 established by lot. The Authority shall dispose of the homes by  
8 selling them first to first preference families or single persons in  
9 the order of their respective priority numbers. When all families  
10 or single persons submitting first preference applications have  
11 been offered homes, the remaining homes shall then be offered in  
12 the same manner to second preference applicant families or single  
13 persons with any remaining lots then offered in the same manner  
14 to third preference applicant families or single persons. The  
15 priority number system shall be used to determine which  
16 purchaser shall be entitled to which home and shall also govern in  
17 the case that there are more purchasers in a preference category  
18 than homes available.

19 (f) The sale of homes shall begin as soon as practicable  
20 after the close of the application period. After determination of  
21 eligibility, each applicant shall, prior to the expiration of a time set  
22 by the Authority, make arrangement to purchase his or her  
23 home."

24 **Section 5.** A new §5414 is added to 12 GCA to read:

1           "§5414.    **Deed Covenants.**    (a) Except as provided for in  
2           §5415 of this Article, the deeds conveying the properties developed  
3           pursuant to §5412 of this Article shall, among other provisions agreed  
4           by the Board, contain:

5                   (1) A covenant that for a period of ten (10) years  
6                   commencing on the date of the conveyance, the grantee(s) or the  
7                   heirs of the grantee(s) must personally occupy the property  
8                   conveyed and not lease it to others;

9                   (2) A covenant that for a period of ten (10) years  
10                   commencing on the date of the conveyance, the grantee(s), may  
11                   not convey or otherwise alienate the property to a third party,  
12                   except that a mortgage to a bona fide lending institution to secure  
13                   funds to purchase said property shall not be a violation of such  
14                   rule even if such mortgage is foreclosed; and

15                   (3) A right of reverter clause to the Authority in the event  
16                   that any of the conditions, covenants or restrictions of the deed are  
17                   violated.

18           (b) Except as provided for in §5415 of this Article, any  
19           covenants or restrictions in all existing deeds granted by the Authority  
20           pursuant to §5401 through §5411 of Title 12, Guam Code Annotated, are  
21           hereby and shall be deemed to be amended to terminate ten (10) years  
22           after the initial conveyance. As soon as practicable after the effective  
23           date of this provision, the Authority shall record with the Department of  
24           Land Management a document and release noting such amendment

1 with respect to all affected lot numbers, and shall also give public notice  
2 of such amendment.”

3 **Section 6.** A new §5415 is added to 12 GCA to read:

4 “§5415. **Resale or Conveyance.** Notwithstanding any  
5 other provisions of law, rule or regulation to the contrary:

6 (a) After a period of one (1) year from the date of  
7 purchase of a lot or home pursuant to this Article, any grantee(s)  
8 may sell, convey or otherwise transfer the lot or home to his or her  
9 family member who is without fee title to any real property of his  
10 or her own and whose income does not exceed the limits  
11 established for a low-income family or a single person residing in  
12 low rent housing projects operated by the Authority, provided  
13 that in case of a sale, the prospective purchaser shall secure  
14 approved loan or financing for the construction of a residence, or a  
15 conditional letter of intent or the equivalent.

16 (b) After a period of five (5) years from the date of  
17 purchase of a lot or home pursuant to this Article, any grantee(s)  
18 may sell, convey or otherwise transfer the lot or home to a first-  
19 time homeowner who is a resident of Guam and whose income  
20 does not exceed the limits established for a low-income family or a  
21 single person residing in low rent housing projects operated by  
22 the Authority, provided that in case of a sale, the prospective  
23 purchaser secures approved loan or financing for the construction  
24 of a residence, or a conditional letter of intent or the equivalent.

1 (c) As used in this Section:

2 (1) "First-time homeowner" means any family or  
3 single person who has not had any ownership interest in a  
4 home within the five (5) years preceding the date of  
5 application, or had an ownership interest in a home within  
6 the five (5) year preceding the date of application, but such  
7 interest was terminated by a decree of divorce or operation  
8 of law.

9 (2) "Resident of Guam means a U.S. citizen or  
10 permanent resident alien who has resided in Guam for a  
11 period of not less than five (5) years immediately preceding  
12 the date of application. An individual who has not been a  
13 five (5) year resident for the period immediately preceding  
14 the date of application shall be deemed a resident of Guam if  
15 the applicant's residency change was due to active service in  
16 the United States Armed Forces or for attendance on a full-  
17 time basis at an institution of higher education; provided,  
18 that the applicant was a five (5) year resident for the period  
19 immediately preceding the start of such active duty or  
20 education"





# GHURA

**Guam Housing and Urban Renewal Authority**  
**Aturidat Ginima' Yan Rinueban Siudad Guahan**  
117 Blen Venida Avenue • Sinajana, Guam 96926  
Phones: (671) 477-9851 to 4 • Fax: (671) 472-7565 • TTY # (671) 472-3701



NOV 05 1999

Carl T. C. Gutierrez  
Governor

Madeleine Z. Bordallo  
Lieutenant Governor

Taling M. Taitano  
Executive Director

Jose T. San Nicolas  
Deputy Director

Board of Commissioners

David N. Sanford  
Chairman

Glorina Q. Perez  
Vice Chairperson

Soledad A. Lujan  
Member

Jaime D. S. Paulino  
Member

Jesus S. Okada  
Member

Juan C. Wunstig  
Member

Luis L. G. Paulino  
Member

The Honorable Kaleo S. Moylan  
Chairman, Committee on Housing, General Government  
Services and Foreign Affairs  
Mina Bente Singko Na Liheslaturan Guahan  
Suite 16B, Sinajana Shopping Mall  
#777 Route 4  
Sinajana, Guam 96926

**Subject: Bill No. 283**

*Hafa Adai Senator Moylan:*

Thank you for your interest in developing the As-Tumbo Subdivision. The staff and management of the Guam Housing & Urban Renewal Authority (GHURA) stand ready to increase home ownership especially in the As-Tumbo Subdivision and are hoping for the quick passage of a revised bill to assist our efforts.

We have reviewed the proposed bill and have the following comments:

### ***Eligibility***

The definition of eligible family should consistently state that there is an income limit. Eligible family should be referred to as "Families whose incomes do not exceed 80% of Guam's median family income as defined in the U.S. Department of Housing and Urban Development's housing assistance programs administered by the Authority."

The next criterion for eligibility should be that the family must be able to obtain a loan from a bonafide lending institution licensed to do business on Guam or non-profit organization approved by GHURA. If this requirement is not included, we will be perpetuating the problem that exists with the As-Tumbo lottery families who cannot qualify for a bank loan to build their house. GHURA will have a hard time selling houses to families who cannot qualify for a bank loan.

### ***Definitions***

Family should be defined using the definition in the public housing or Section 8 program. This will limit single person households to those with disabilities or who are elderly. Do we really want to make it a matter of public policy that all single person households can qualify for these subsidized homes? If the preference lists remain in the act, we would suggest that family member be defined as narrowly as possible.



### ***Preference Lists***

We recommend that preference lists be eliminated. This will simplify administering the program. We need to ensure that we will be able to sell the homes as quickly as they are completed. Preferences create an unnecessary complication when you consider that we are already limiting eligibility based on an income cap. If this cannot be avoided, the preferences should be limited to as few categories as possible.

Preference 1 is to be given to descendants of families who have purchased a lot in As-Tumbo. This proposed preference is a response to the request of the original Preference 1 families (those living on the site before the subdivision was built) that their adult children be able to purchase a lot in the subdivision. However, as drafted, this proposal will give first preference to all adult children of families who purchased lots in the subdivision regardless of which preference they qualified for under the original land sale.

This category unduly favors families who already own lots in As-Tumbo. With GHURA, we have some multi-generational families receiving public assistance, and it is something we try to discourage. We don't see the rationale for giving first preference to children of parents who already own lots in As-Tumbo. We would prefer to give new, previously unassisted, families a chance.

All income eligible families should be able to compete for the limited number of lots on an equal basis as much as possible. Unless there a valid social goal for this preference, we believe this proposed preference should be eliminated.

### ***Sell of Lots at Below Fair Market***

Our intent in pursuing changes to the enabling legislation for the As-Tumbo Subdivision was to allow the Authority to replicate the construction of affordable homes in Asan which we sold to families earning 80% or less of median family income as established by the U.S. Department of Housing and Urban Development. GHURA sold the homes at cost to the families. Turnkey construction financing allow GHURA to proceed with the construction of the Asan homes. The permanent financial was arranged by the families. Thus, GHURA's outlays were limited to covering our construction management, marketing and application processing costs.

GHURA was able to use the proceeds from the land sale to cover our construction management, marketing and application processing costs. The lots were sold at the reuse appraisal value which was considerably below fair market value. The lots were sold at values ranging from \$7,000 to \$10,000.

The proposed legislation seems to imply that GHURA would sell the lots at below market value, probably at \$2,500. This is well below the price for the Asan properties. We



would like to be able to ensure that GHURA's developers costs will cover. We recommend that language be included in Section 5413 that the selling price of less than fair market value will include GHURA's developers costs.

#### ***Relationship to Chamorro Land Trust***

Do we want to keep families with valid CLTC residential leases eligible to purchase As-Tumbo lots? Should we require them to relinquish their CDTC lease if they purchase an As-Tumbo lot?

#### ***Other concerns***

GHURA is not really the "caretaker" of the subdivision. The designation connotes duties on the part of GHURA that are not contemplated by existing law. We request that the phrase, "the caretaker of the subdivision", be deleted.

One of the As-Tumbo lot owners has been selected by Habitat for Humanity of Guam for the construction of a house on her lot. It is the practice of Habitat for Humanity of Guam to take a mortgage on the homes they build to secure repayment for the beneficiary of the construction cost (without profit and without interest on the balance). However, Habitat for Humanity is not a "bonafide lending institution." Therefore, we would like to amend §5414(a)(2) as follows: "(2) A covenant that for a period of twenty-five (25) years commencing on the date of conveyance, the grantee(s) may not convey or otherwise alienate the property to a third party, except 1) that a mortgage to a bonafide lending institution to secure funds to purchase or construct a residence on the property or (2) that a mortgage to a non-profit organization that has been approved by GHURA for the purpose of constructing of a residence on the property, shall not be a violation of the covenant even if the mortgage is foreclosed."

We would like you to consider a provision requiring that in the case of a lot owner selling his or her developed or undeveloped lot at a profit, that a portion of the profit be returned to GHURA and/or GovGuam. We have included such a requirement for residents of our Asan 40 Homes Project. It is an equitable rule that would prevent profiteering at the expense of the government.



The staff and management of GHURA are anxious to begin this important project. We would appreciate the Legislature's timely passage of this bill as revised.

Should you have any questions regarding this letter, please feel free to call me at 472-3910.

Senseramente,



**TALING M. TAITANO**  
Executive Director

# GHURA



**Guam Housing and Urban Renewal Authority**  
**Aturidat Ginima' Yan Rinuehan Siudad Guahan**  
117 Bien Venida Avenue • Sinajana, Guam 96926  
Phones: (671) 477-9851 to 4 • Fax: (671) 472-7665 • TTY # (671) 472-3701



FEB 10 2000

**CONFIRMED**

*Handwritten initials*

- Carl T. C. Gutierrez  
Governor
- Madelaine Z. Bordallo  
Lieutenant Governor
- Taling M. Taitano  
Executive Director
- Jose T. San Nicolas  
Deputy Director
- Board of Commissioners
  - David N. Sanford  
Chairman
  - Glorian O. Perez  
Vice Chairperson
  - Seledad A. Lujan  
Member
  - Jaime D. S. Paulino  
Member
  - Jesus S. Okada  
Member
  - Juan C. Wussig  
Member
  - Julia L. G. Paulino  
Member

The Honorable Vicente C. Pangelinan  
Senator and Minority Leader  
Mina'Bente Singko Na Liheslaturan Guahan  
215-A Chalan Santo Papa  
Ada's Commercial & Professional Center, Suite 108-F  
Hagatna, Guam 96910

**SUBJECT:** Substitute Bill 283 Relative to Developing the As-Tumbo Subdivision

Hafa Adai Senator Pangelinan:

Thank you for the opportunity to comment on substitute bill 283. While all our concerns were not addressed, we believe that we can work with the bill should it become law.

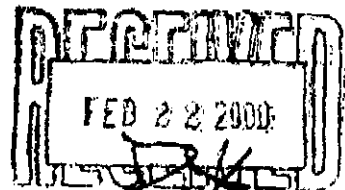
However, in Section 4, Sale of Affordable Homes, and Section 6, Resale or Conveyance, the prospective purchaser should be able to secure approved loan or financing for the "purchase" of a residence. It is the intention of the Guam Housing & Urban Renewal Authority (GHURA) to build affordable homes and sell the home and lot to the eligible families.

We appreciate this opportunity to work together on this worthwhile project and look forward to the timely passage of the bill, particularly since Habitat is ready to work with As-Tumbo families to help them build their homes.

Should you wish to discuss this in greater detail or have other questions, please feel free to contact me.

Senseramente,

*Taling M. Taitano*  
**TALING M. TAITANO**  
Executive Director



E. 112 112

**Senator Kaleo S. Moylan**  
**Chairperson, Committee on Housing,**  
**General Government Services and Foreign Affairs**  
***Mina'Bente Singko Na Liheslaturan Guåhan***  
**Twenty-Fifth Guam Legislature**

October 28, 1999

The Honorable Carl T.C. Gutierrez  
*Maga'lahaen Guåhan*  
R. J. Bordallo Governor's Complex  
Agana, Guam 96932

Re: Committee Public Hearing

Dear Governor Gutierrez:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs has scheduled a public hearing on Friday, November 5, 1999, commencing at 9:00 a.m., in the Legislative Public Hearing Room..

As these measures and your appointment directly affect the operations of the government of Guam, the Committee members and I request that your appropriate cabinet officials be in attendance. Also, the Committee looks forward to receiving fifteen (15) copies of your Administration's analysis, justification and studied opinion on the enclosed bills.

A copy of the hearing Agenda is enclosed for your review.

Thank you,

  
KALEO S. MOYLAN

Enclosure:

**Senator Kaleo S. Moylan**  
**Chairperson, Committee on Housing,**  
**General Government Services and Foreign Affairs**  
*Mina Bente Singko Na Liheslaturan Guahan*  
**Twenty-Fifth Guam Legislature**

October 28, 1999

**Ms. Taling M. Taitano**  
**Executive Director,**  
**Guam Housing and Urban Renewal Authority**  
**117 Bien Venida Avenue**  
**Sinajana, Guam 96926**

**Re: Committee Public Hearing**

Dear Ms. Taitano:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs will conduct a public hearing on Bill Nos. 283 and 288 on Friday, November 5, 1999, commencing at 9:00 a.m., in the Legislative Public Hearing Room.

As these measures directly affect the operations of your agency, the Committee members and I request that you and appropriate officials from GHURA be in attendance. Also, the Committee looks forward to receiving fifteen (15) copies of GHURA's analysis, justification and studied opinion on the attached bills.

A copy of the hearing Agenda is enclosed for your review.

  
**KALEO S. MOYLAN**

**Attachment:**

**cc: Mr. David N. Sanford,**  
**Chairman**  
**Board of Commissioners**

**Senator Kaleo S. Moylan**  
**Chairperson, Committee on Housing,**  
**General Government Services and Foreign Affairs**  
*Mina Bente Singko Na Liheslaturan Guåhan*  
**Twenty-Fifth Guam Legislature**

October 28, 1999

Mr. James G. Sablan  
President  
Guam Housing Corporation  
Bldg. 6-5000 E. Sunset Boulevard  
Tiyán, Guam 96921

Re: Committee Public Hearing

Dear Mr. Sablan:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs will conduct a public hearing on Bill Nos. 283 and 288 on Friday, November 5, 1999, commencing at 9:00 a.m., in the Legislative Public Hearing Room.

As these measures directly affect the operations of your agency, the Committee members and I request that you and appropriate officials from Guam Housing Corporation be in attendance. Also, the Committee looks forward to receiving fifteen (15) copies of GHCs analysis, justification and studied opinion on the attached bills.

A copy of the hearing Agenda is enclosed for your review.



**KALEO S. MOYLAN**

Attachment:

cc: Chairman  
Board of Directors



**Senator Kaleo S. Moylan**  
**Chairperson, Committee on Housing,**  
**General Government Services and Foreign Affairs**  
*Mina'Bente Singko Na Liheslaturan Guåhan*  
**Twenty-Fifth Guam Legislature**

October 26, 1999

MEMORANDUM

To: All Members, Committee on Housing,  
General Government Services and Foreign Affairs

From The Chairperson,

Subject: Committee Public Hearing

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs will be conducting a public hearing on Friday, November 5, 1999 at 9:00 a.m., in the Legislative Public Hearing Room.

A copy of the hearing Agenda is attached for your review.

Thank You,



KALEO S. MOYLAN

Attachment:

cc: All Senators  
Clerk of Legislature  
Protocol  
Media

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN  
Committee on Housing, General Government Services and Foreign Affairs

**Public Hearing**

**A G E N D A**

- I. Call to Order:
- II. Announcement & Introduction of Members:
- III. Executive Appointments:

Rodney Webb to serve as the Director of the Department of Administration.

- IV. Legislative Measures:

**Bill No. 283 (COR):** AN ACT TO AMEND SUBSECTION (d) OF §5408 ADD NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW AND MEDIUM INCOME RESIDENTS OF GUAM. By V. C. Pangelinan, K. S. Moylan.

**Bill No. 288 (COR):** AN ACT ADD A NEW SUBSECTION (c) TO §5411 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PERMITTING GRANTEEES OF CONVEYED PROPERTIES IN THE AS-TUMBO SUBDIVISION, DEDEDO TO RENT OUT A SINGLE UNIT OF A TWO-FAMILY DUPLEX DWELLING. By V. C. Pangelinan.

**Bill No. 301 (COR):** AN ACT TO AUTHORIZE THE GUAM POLICE DEPARTMENT TO STOP, INSPECT AND WEIGH HEAVY EQUIPMENT AND CARGO TRANSPORT VEHICLES USING GUAM'S ROADWAYS. By: K. S. Moylan, J. C. Salas

**Bill No. 332 (COR):** AN ACT TO AMEND §§ 70107 (b) AND 70109 (a) BOTH OF CHAPTER 70, DIVISION 2 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING BENEFITS TO DEVELOPERS WHO MAKE FUNDS AVAILABLE FOR AFFORDABLE HOUSING. By K. S. Moylan, A. C. Lamorena, V. J. C. Salas, V. C. Pangelinan, A. R. Unpingco, M. G. Camacho.

- V. Remarks:
- VI. Adjournment:

The Committee Hearing will take place in the Guam Legislature Public Hearing Room located in Hagåtña, Guam.

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Revised Agenda



The Office of  
**Senator Kaleo S. Moylan**

Chairman, Committee on Housing, General Government Services and Foreign Affairs

October 25, 1999

MEMORANDUM

TO: Joseph Rivera, Acting Director, BBMR

FROM: Senator Kaleo S. Moylan  
Chairman, Committee on Housing, General Government Services and Foreign Affairs

SUBJECT: Request for Fiscal Notes

Pursuant to Title 2, Chapter 9, GCA, please provide fiscal notes for the following bills by November 10, 1999.

**Bill No. 283**

AN ACT TO AMEND SUBSECTION (d) OF §5408 ADD NEW §§ 5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW AND MEDIUM INCOME RESIDENTS OF GUAM.


**Bill No. 288**

AN ACT ADD A NEW SUBSECTION (c) TO §5411 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PERMITTING GRANTEES OF CONVEYED PROPERTIES IN THE AS-TUMBO SUBDIVISION, DEDEDO TO RENT OUT A SINGLE UNIT OF A TWO-FAMILY DUPLEX DWELLING.

**Bill No. 332**

AN ACT TO AMEND §§ 70107 (b) AND 70109 (a) BOTH OF CHAPTER 70, DIVISION 2 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING BENEFITS TO DEVELOPERS WHO MAKE FUNDS AVAILABLE FOR AFFORDABLE HOUSING.

Your usual attention is appreciated.

  
KALEO S. MOYLAN  
Senator, 25<sup>th</sup> Guam Legislature

Attachments

Bureau of Budget & Management Research  
Fiscal Note of Bill No. 283 (COR)

GUAM LEGISLATURE  
OFFICE OF SENATOR KALEO S. MOYLAN  
ACKNOWLEDGEMENT RECEIPT  
Date: 12/14/99 Time: 2:30pm  
Received by: *[Signature]*

**Bill Title (Preamble):**  
AN ACT TO AMEND SUBSECTION (d) OF §5408, ADD NEW §§5412, 5413, 5414, AND 5415 TO TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING PURCHASERS OF LOTS IN THE AS-TUMBO SUBDIVISION TO SELL, CONVEY, LEASE OR TRANSFER THEIR LOTS TO FAMILY MEMBERS AND TO AUTHORIZING GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO DEVELOP AND SELL THE REMAINING LOTS OF AS-TUMBO SUBDIVISION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING TO LOW AND MEDIUM INCOME RESIDENTS OF GUAM.

Department/Agency Appropriation Information	
Dept./Agency Affected: GHURA	Dept./Agency Head: Joe Borja
General Fund appropriation(s) to date:	\$ N/A
Other Fund (specify):	
Total Department/Agency Appropriation(s) to date:	\$ N/A

Fund Source Information of Proposed Appropriation			
	General Fund	Other Funds	Total
FY Adopted Revenues	450,867,633		450,867,633
Less FY Appro. to P.L. 23-74	446,965,669		446,965,669
Subtotal	3,901,964		3,901,964
Less appropriation in Bill	1/		1/
Total	3,901,964		3,901,964

Estimated Fiscal Impact of Bill						
	One full FY	For remainder of current FY (if appl.)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	1/	N/A	N/A	N/A	N/A	N/A
Other Fund:	N/A	N/A	N/A	N/A	N/A	N/A
Total	1/	N/A	N/A	N/A	N/A	N/A

- Does the bill contain "revenue generating" provisions?  / Yes / / No  
If yes, see attachment.
- Is amount appropriated adequate to fund the intent of the appropriation?  / Yes / / No  
If no, what is the additional amount required? \$ N/A
- Does the Bill establish a new program/agency?  / Yes /X/ No  
If yes, will the program duplicate existing programs/agencies?  / Yes /X/ No  
Is there a federal mandate to establish the program/agency?  / Yes /X/ No
- Will the enactment of this Bill require new physical facilities?  / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:  / Yes /X/ No  
 / / Requested agency comments not rec'd by due date /X/ Other: Due to time constraint

Analyst: *J. Blaz* Date: 12/22/99 Director: *Joseph Rivera* Date: NOV 24 1999  
*Joseph E. Rivera, Acting*

Footnotes: See Attachment

**Bureau of Budget and Management Research  
Fiscal Note Comments to Bill 283 (COR)**

The intent of Bill 283 is to amend subsection (d) of §5408 and to add new §5412, 5413, 5414, and 5415 to Title 12, GCA, relative to authorizing purchasers of lots in the As-tumbo subdivision to sell, convey, lease or transfer their lots to family members and to authorizing Guam Housing and Urban Renewal Authority to develop and sell the remaining lots of As-tumbo subdivision for the purpose of providing affordable housing to low and medium income residents.

Although there is no mention of an appropriation measure in this bill, a fiscal impact may exist. Should costs such as appraisal, mapping, registration fees, etc. arise, the burden of such costs may fall on GHURA to absorb. These costs, as well as revenues generated from the sale of properties by GHURA, are undeterminable at this time due to the limited information provided.

