



**BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 P.M., Wednesday, November 8, 2017
GHURA's Main Office
1st floor, Conference Room, Sinajana
AGENDA**

I. ROLL CALL

II. APPROVAL OF PREVIOUS BOARD MINUTES - October 26, 2017

Page(s)

III. CORRESPONDENCE AND REPORTS

1. 2016 Audit Report & 2017 Ongoing Audit
(Burger, Comer, Magliari)

IV. OLD BUSINESS

V. NEW BUSINESS

- | | |
|---|-------|
| 1. Intent of Award | 1-8 |
| Rehabilitate and Upgrade of the Sinajana and Umatac Baseball Field | |
| 2. Resolution No. FY2018-004 | 9-52 |
| Resolution to approve a one-year extension through November 10, 2018 to residential property reservation holders under the Asan Community Redevelopment Plan, to fully execute the purchase of lots now held under reservation. | |
| 3. Resolution No. FY2018-005 | 53-88 |
| Resolution to approve the execution of new, updated declaration of trust documents for GHURA Asset Managed Properties | |

VI. GENERAL DISCUSSION / ANNOUNCEMENTS

1. Next proposed scheduled Board Meetings - Thursday, November 30th

VII. ADJOURNMENT

**BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 p.m., November 08, 2017**

GHURA Main Office, 1st floor conference room
Sinajana, Guam

MINUTES

After notice was duly and timely given pursuant to the Open Government Law of Guam and the Bylaws of the Authority, the Board of Commissioners' regular scheduled meeting of **November 08, 2017** at 12:00 p.m. at the GHURA Sinajana Main Office, 1st Floor Conference Room was conducted.

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

COMMISSIONERS PRESENT: George A. Santos, Chairman
 Thomas E. B. Borja, Vice-Chairman
 Carl V. Dominguez, Member
 George F. Pereda, Member
 Joseph M. Leon Guerrero, Resident Commissioner

COMMISSIONERS ABSENT: Eliza U. Paulino, Member (excused)

LEGAL COUNSEL: Anthony Perez (excused)

MANAGEMENT & STAFF: Michael J. Duenas, Executive Director
 Pedro A. Leon Guerrero, Deputy Director
 Melinda Taitano, Special Assistant
 Albert Santos, AE Manager
 Lucele Leon Guerrero, Controller
 Norma San Nicolas, S8 Administrator

PUBLIC: Mayor Quinata, Umatac
 Mayor Hoffman, Sinajana
 Sen. Tommy Morrison
 Jason Tedtaotao
 Raymond Santiago
 Karvin Flynn

Meeting was called to order at 12:00 p.m. by Chairman Santos who acknowledged the presence of the above attendees. The Chairman then indicated that the minimum number of Commissioners required for a quorum was present and that the meeting could proceed.

| Minute No. | Ref. No. | Approval of Previous Board Meeting | Action By: |
|-----------------------|---------------------|--|-----------------------|
| 286/17 | | Chairman Santos called for a motion to be made on the approval of the Minutes for the previous Board Meeting on October 26, 2017. | |
| 287/17 | | After review and further discussion by the Board Members, a motion was made by Vice Chairman Borja and seconded by Resident Commissioner Leon Guerrero to approve the Board Minutes of October 26, 2017 as amended. | |
| | | Chairman requested to move to New Business Item No. 1 of the Agenda. | |
| Minute No. | Ref. No. | NEW BUSINESS ITEMS | Action By: |
| 288/17 | | <p>Intent of Award, Rehabilitate and upgrade of the Sinajana and Umatac Baseball Field</p> <p>Director Duenas stated these were first intended as separate projects to award. However, due to the lack of construction workers, the bid amount that came in were two to three times higher than expected. Therefore Mr. Albert Santos and Ms. Katherine Taitano had to identify additional funds needed and develop a revised scope of work in order to re-bid the projects.</p> <p>Mr. A. Santos stated that the scope with the Sinajana project was to change out the existing light poles. The 8-pole design was decreased to a 4-pole design with lighting being upgraded to all L.E.D.</p> | |

| Minute No. | Ref. No. | NEW BUSINESS ITEMS | Action By: |
|--------------------------|-------------|--|---------------|
| 288/17 (continuation) | | <p>Other work includes the re-grading of the inner field and the addition of a walking trail to the outside fence. With the Umatac project, the scope includes tearing down the existing fence line, regrading of the whole field, provide new dugouts, upgrade the restrooms, provide parking and lighting.</p> <p>Out of the 6 bid packets that were picked up, only 3 responded and submitted bids. The deductive bid was included in case the price came in high. P & E Construction submitted the lowest bid for the Base Bid #1 at \$829,977.54. Therefore, they are asking the Board to approve the contract with P & E Construction, Inc. and to include the Deductive Bid #1 for the total award of \$804,777.54.</p> | |
| 289/17 | | <p>A motion was made by Commissioner Dominguez and seconded by Resident Commissioner Leon Guerrero to award the upgrade and rehabilitate the Sinajana and Umatac Baseball Field to P & E Construction in the amount of \$829, 977.54 less the deductive bid # 1 in the amount of \$25,200.00. Without further discussion or objection, the motion was approved.</p> | |

| Minute No. | Ref. No. | Correspondence and Reports | Action By: |
|---------------|-------------|---|---------------|
| 290/17 | | <p>2016 Audit Report & 2017 Ongoing Audit (Burger, Comer, Magliari)</p> <p>Director Duenas stated that Mr. Karvin Flynn will briefly summarize the 2016 Audit Report and discuss progress in the preparation of the 2017 audit.</p> <p>Mr. K. Flynn stated that they have already started the 2017 Audit, their Risk Assessment, looking at internal controls and evaluating all the various controls within GHURA both programmatic and financial. They have started program testing beginning with Guma Trankilidat (GT).</p> <p>There are some initial concerns with the new PSM in being behind in understanding the program. He recommends closer oversight be provided to help with the transition. Out of the 49 units, 11 tenant files were chosen to be reviewed. Of the 3 files reviewed to date, all had issues. The level of risk has gone up for the development due to this.</p> <p>An Initial Risk assessment has been completed with FISCAL. They are awaiting for the initial trial balances to be produced so a major program determination can be made. No major issues are expected other than getting the financials drafted in a timely matter. There are still challenges to overcome due to the limitations of the accounting software being used.</p> <p>With the 2016 Audit, the main specific risk is cybersecurity. GHURA does almost 100 percent of their financial transactions via ACH which is basically</p> | |

| Minute No. | Ref. No. | Correspondence and Reports | Action By: |
|--------------------------|-----------------|---|-------------------|
| 290/17 (continuation) | | the electronic transfer of funds resulting on reliance on internal control to be implemented in assuring information is kept private and secured within the information technology system we have. The problem is the system hasn't been tested via a penetration test to assess the system's weakness and vulnerability. It has been recommended to MIS and they conduct a penetration test. | |
| Minute No. | Ref. No. | NEW BUSINESS ITEMS | Action By: |
| 291/17 | | <p>Resolution No. FY2018-004, Resolution to approve a one-year extension through November 9, 2018 for residential property reservation holders under the Asan Community Redevelopment Plan, to fully execute the purchase of lots now held under reservation.</p> <p>Director Duenas stated that Ms. Katherine Taitano, our chief planner has recommended we extend the Asan Urban Renewal Plan for an additional year. The extension will only be for those families who have not completed the purchase of lots that were reserved for them. The lots that are under reservation are to be sold to the families at less than fair market value (the re-use appraise value). Part of the requirements was for the families to provide GHURA with their building plans, their contract with the construction company to build, and a letter of intent from the bank to finance the construction. The house must be the family's primary residence. Unfortunately, with everything going on with the construction industry,</p> | |

| Minute No. | Ref. No. | NEW BUSINESS ITEMS | Action By: |
|--------------------------|---------------------|--|-----------------------|
| 291/17 (continuation) | | <p>many of the families are having trouble getting contractors to consider their project.</p> <p>Ms. K. Taitano stated that the plan is set to expire on November 10, 2017. Currently, there are about 2 dozen families who are actively working on meeting their requirements in order to execute their reservations entirely. She stated that they worked with Legal Counsel and reviewed all existing policies to determine whether the extension could be granted. This extension allows the plan to expire on November 10, 2018 and is only for these existing families who have yet to fulfill their requirements.</p> | |
| 292/17 | | <p>A motion was made by Vice Chairman Borja and seconded by Commissioner Pereda to approve Resolution No. FY2018-004, approving a one-year extension through November 9, 2018 to residential property reservation holders under the Asan Community Redevelopment Plan, to fully execute the purchase of lots now held under reservation. Without further discussion or objection, the motion was approved.</p> | |
| 293/17 | | <p>Resolution No. FY2018-005, Resolution to approve the execution of new, updated declaration of trust documents for GHURA Asset Managed Properties</p> <p>Director Duenas stated that our chief planner also serves as our community development manager therefore all issues relating to GHURA'S real estate inventory</p> | |

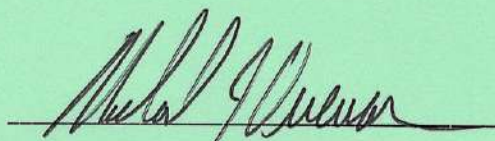
| Minute No. | Ref. No. | NEW BUSINESS ITEMS | Action By: |
|--------------------------|---------------------|--|-----------------------|
| 293/17 (continuation) | | <p>is under her review. She has worked with our Public Housing Asset managers to address this issue which is a result of a national audit that HUD's Office of Inspector General conducted to assess how well HUD was monitoring and overseeing the Declaration of Trust for the various of public housing authorities across the country. One of our sites was audited and the conclusion stated that it was deficient</p> <p>Ms. K. Taitano stated that with guidance from HUD, instead of making the corrections for just AMP2, we went ahead and made all the adjustments for all the other sites as well.</p> | |
| 294/17 | | <p>A motion was made by Commissioner Dominguez and seconded by Resident Commissioner Leon Guerrero to approve Resolution No. FY2018-005, approving the execution of new, updated declaration of trust documents for GHURA Asset Managed Properties. Without further discussion or objection, the motion was approved.</p> | |
| 295/17 | | <p>Resolution No. FY2018-006, Resolution to approving the Section Eight Management Assessment Program (SEMAP) certification for Fiscal Year 2017</p> <p>Director Duenas stated that this resolution has a deadline, unfortunately we are still waiting for the proper form number from HUD. To ensure that we met the deadline Ms. Norma San Nicolas, our Section 8 Administrator</p> | |

| Minute No. | Ref. No. | General Discussion / Announcements | Action By |
|-----------------------|---------------------|--|----------------------|
| 297/17 | | Next Proposed Scheduled Meeting: Wednesday, November 29th | |

298/17 ADJOURNMENT

There being no further business before the Board, a motion was made by **Resident Commissioner Leon Guerrero** and Seconded by **Commissioner Pereda**, which was unanimously agreed upon, to adjourn the meeting. The meeting was adjourned at 2:20 p.m.

(SEAL)



MICHAEL J. DUENAS
Board Secretary/Executive Director

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

MEMORANDUM:

TO: Board of Commissioners

FROM: Executive Director 

SUBJECT: Intent of Award, Rehabilitate and upgrade of the Sinajana and Umatac Baseball field.

Bid opening for the subject project was held on Oct 26, 2017 at 2:00PM. There were 6 contractors that purchase a set of bid specification of which 3 submitted a bid. Listed below are the results of the bids submitted, which were open and read out aloud.

| Contractor | Base Bid #1 | Deductive Bid #1 | Deductive Bid #2 |
|------------------------------|----------------|------------------|------------------|
| 1. P & E Construction Co. | \$829,977.54 | \$25,200.00 | \$131,800.00 |
| 3. Canton Construction Corp. | \$1,758,682.00 | \$10,000.00 | \$260,000.00 |
| 4. Infratech Int'l LLC | \$1,154,868.94 | \$33,239.65 | \$233,148.84 |

Government Estimate: \$885,300.00

If you re-call the project was original bid as two separate projects which were canceled due to the bid amount far exceeding the Government estimate, Umatac original bid to include lighting was at \$1,220,000.00 and Sinajana was at \$398,850.00. Based on our commitment to move forward with these two projects, our staff repackage the two projects into one with changes to: lighting specifications, resurfacing of the inner field and the outfield.

Of the three bids received, our staff met with the low bidder P&E Construction to discuss their bid proposal to ensure their understanding of the scope and cost to complete the project as outline in the bid specification. Based on the meeting held with P&E construction our staff have determine that P & E Construction is the lowest responsive responsible bidder for Base Bid item 1 and have been cleared by Department of Labor compliance, OSHA and EPLS Debarred list (see attached verification). P&E construction has a long standing history with GHURA from the renovation of the main office to the construction of the Southern Police Precinct and the Fire Station no 5 in Agat and the construction of new affordable homes in Astumbo.

Based on the initial bids and funding, GHURA did require two deductive bids for this proposal which are part of the base bid, if the apparent low bid received in response to this solicitation exceeds the available funding for the proposed contract work. GHURA shall apply the first deductible item to evaluated a new low that is within the available funding. Deductive bid No1 is for the new concrete walkway along the outer field in Sinajana and deductive bid no 2 is the installing of four new field lighting in Umatac.

Based on our staff's review and determination, we are requesting that the Board approves a contract with P & E Construction Corp for base bid item no 1 and deductive bid item no 1 in the amount of \$804,777.54 to rehabilitate and upgrade the two baseball fields in Sinajana and Umatac. The award of this project is contingent on our legal (appointed SAAG for GHURA) completed review of the project files and bid results in accordance with 5 GCA § 5150. CDBG funding is available for the award of this project under the CDBG program.

Attachment: Bid Tabulation
Clearance
Contractor's confirmation
Gov cost estimate

At the regular board meeting of November 8, 2017, a motion was made by Commissioner Dominguez and seconded by Commissioner Leon Guerrero to approve a contract with P & E Construction Corp for base bid item #1 and deductive bid item #1 in the amount of \$804,777.54 to rehabilitate and upgrade the two baseball fields in Sinajana and Umatac. The award of this project is contingent on the complete review of GHURA's Legal Counsel (SAAG designation) of the project files and bid results in accordance with 5 GCA § 5150. CDBG funding is available for the award of this project under the CDBG program.

Michael Duenas Executive Director

[illegible]

ATTESTED BY: U. S. Date: 10/26/17
A.M. (Signature) Date: 10/26/17

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
ATURIDAT GINIMA'YAN RINUEBAN SIUDAT GUAAHAN
Verification of Status for Contractors

To: File
From: Architect & Engineering Manager
Subject: Up-grade of the Baseball Fields at Sinajana and Umatac

In Order to ensure that the contractor awarded does not have any outstanding claims against them, we requested that the listed government Agencies provide us with a current standing or any information which may be pertinent to the above contract. The following outlines the contractor's standings with the listed agencies.

| Company Name | Canton Construction Corp Ronald Su | InfraTech International, LLC Fregueta & Remondia Gagliardi | JJ Global Service Luis Bustamante | Liang Construction Qiao Liang Huang | Maeida Pacific Corporation Thomas Nielsen | P & E Construction Inc Ernestina Lajolo |
|--------------|---------------------------------------|---|--------------------------------------|--|--|--|
|--------------|---------------------------------------|---|--------------------------------------|--|--|--|

Department of Labor:

ALPCD

Fair Employment Practice

Wage & Hour

Workers Compensation

| | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cleared 10/24/17 | Cleared 10/24/17 | Cleared 10/24/17 | Cleared 10/24/17 | Cleared 10/24/17 | Cleared 10/24/17 | Cleared 10/24/17 |
| Cleared 10/19/17 | Cleared 10/19/17 | Cleared 10/19/17 | Cleared 10/19/17 | Cleared 10/19/17 | Cleared 10/19/17 | Cleared 10/19/17 |
| Cleared 10/25/17 | Cleared 10/25/17 | Cleared 10/25/17 | Cleared 10/25/17 | Cleared 10/25/17 | Cleared 10/25/17 | Cleared 10/25/17 |
| Expires 05/14/18 | Expires 10/19/18 | Expires 05/20/18 | Expires 10/30/17 | Expires 12/31/17 | Expires 08/08/18 | Expires 08/08/18 |

Guam Contractors

License Board

| | | | | | | |
|--|--|--|--|--|--|--|
| Contractor to obtain clearance from Guam Contractors License Board | | | | | | |
|--|--|--|--|--|--|--|

U.S. Department

of Labor

Revenue & Tax

ENR/SSN

| | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cleared 10/20/17 | Cleared 10/20/17 | Cleared 10/20/17 | Cleared 10/20/17 | Cleared 10/20/17 | Cleared 10/20/17 | Cleared 10/20/17 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

Contractor to report to Revenue and Tax Office

OSHA

| | | | | | | |
|------------------|---|------------------|------------------|---|------------------|------------------|
| Cleared 10/03/17 | 3 Processed Update: 02/05/15 w/ no violation | Cleared 10/12/17 | Cleared 10/03/17 | 1 Processed Update: 02/03/15 w/ no violation | Cleared 10/03/17 | Cleared 10/03/17 |
|------------------|---|------------------|------------------|---|------------------|------------------|

SAM Debarred List

| | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cleared 10/06/17 | Cleared 10/06/17 | Cleared 10/16/17 | Cleared 10/06/17 | Cleared 10/06/17 | Cleared 10/06/17 | Cleared 10/06/17 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

GHURA-05-25-2017-CDBG

Upgrade of the Simojana Baseball Field and Lighting

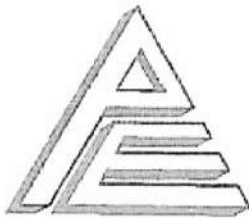
Proposal due Date: 6/16/17

Proposal Due 2pm

[illegible]

TESTED BY: S. V. M. S. Date: 6/16/17
S. V. M. S. Date: 06/16/17

ATTESTED BY: James L. R. R. R. Date: 6/10/17



P&E Construction, Inc.

GENERAL CONTRACTOR

Wednesday, November 01, 2017

Guam Housing and Urban Renewal Authority
117 Bien Venida Avenue,
Sinajana Guam USA

Ref: Upgrade of Baseball Fields at Sinajana and Umatac
Subject : Price Confirmation

Dear Mr. Santos,

Upon review of our bid price to Upgrade of Baseball Field for both Sinajana and Umatac, we confirm that we have been covered and considered all the scope of works required to be perform for the project to its completion.

It was truly our pleasure to provide you a competitive cost, and again we are confirming that our Bid Amount for this project was correct and in accordance with the specification provided on the Bid Package and Ghura's requirements.

We hope that your experience with our company was a pleasant one, and hope to be in continuous of service to you the future.

Thank you for your business and kindness.

Sincerely,

Ernanita T. Lajato
P&E Construction Inc
General Contractor

| | | |
|---|---|---------------------------|
| ACTIVITY AND LOCATION: Sinajana and Umatac | CONSTRUCTION CONTRACT NO. | SHEET 1 OF 1 |
| PROJECT TITLE:up-grade of existing baseball field | IDENTIFICATION NO. | |
| | ESTIMATED BY Albert H. Santos, FME Manager | DATE PREPARED 7/3/2017 |

| ITEM DESCRIPTION | QUANTITY | | ENGINEERING ESTIMATE | |
|---|----------|------|----------------------|---------------|
| | NUMBER | UNIT | UNIT COST | TOTAL |
| Umatac | | | | |
| clearing and removal of overgrown vegetation | 1 | ls | \$5,500.00 | \$ 5,500.00 |
| removal and replacement of fence line with new dugouts | 770 | lf | \$ 95.00 | \$ 73,150.00 |
| concrete walkway alone side field | 200 | lf | \$ 35.00 | \$ 7,000.00 |
| regarding of field and to include new inner field mounts/markings | 41200 | sf | \$ 4.50 | \$ 185,400.00 |
| restroom repair mechanical and electrical u | 1 | ls | \$ 85,000.00 | \$ 85,000.00 |
| low wall and swale | 250 | lf | \$ 45.00 | \$ 11,250.00 |
| new parking coral | 1000 | sf | \$ 20.00 | \$20,000 |
| parking lighting | 4 | ea | \$ 5,000.00 | \$20,000 |
| Deductive bid field lighting | 4 | pole | \$ 55,000.00 | \$220,000.00 |
| Total | | | | \$ 627,300.00 |
| | | | | |
| Sinajana | | | | |
| Field Lighting | 4 | ea | \$ 55,000.00 | \$ 220,000.00 |
| In Field top coating | 7000 | sf | \$ 3.50 | 24500 |
| clearing alone fence line | 1 | ls | \$ 1,500.00 | 1500 |
| Deductive walkway | 300 | lf | \$ 35.00 | 12000 |
| total | | | | \$ 258,000.00 |

Total for both site \$ 885,300.00

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Aturidat Ginima' Yan Rinueban Siudat Guahan

BOARD OF COMMISSIONERS

RESOLUTION NO. FY2018-004

Moved By: THOMAS BORJA

Seconded By: GEORGE PEREDA

RESOLUTION TO APPROVE A ONE-YEAR EXTENSION THROUGH NOVEMBER 09, 2018 TO RESIDENTIAL PROPERTY RESERVATION HOLDERS UNDER THE ASAN COMMUNITY REDEVELOPMENT PLAN, TO FULLY EXECUTE THE PURCHASE OF LOTS NOW HELD UNDER RESERVATION.

WHEREAS, The Board of Commissioners of the Guam Housing and Urban Renewal Authority (GHURA) is empowered by 12 Guam Code Annotated, Section 5104(5) to adopt rules and regulations providing for the internal organization and management of the Authority; and

WHEREAS, the Community Redevelopment Plan (Plan) for Asan was prepared in accord with the provisions of Title I of the Housing and Community Development Act of 1974 and pursuant to Public Law 135 of the Sixth Guam Legislature (Chapter 12, Title XIV, Government Code of Guam.) The Plan was approved by the Guam Housing and Urban Renewal Authority on August 17, 1977, by Resolution No. 949, and approved by the Fourteenth Guam Legislature on the 14th day of October, 1977, by Resolution No. 183 and was recorded in the Department of Land Management, Office of the Recorder, Government of Guam, under Instrument Number 285427, on November 10, 1977. The duration of the Plan has been set for 40 years from the date of the original approval by Government of Guam.; and

WHEREAS, GHURA has identified an estimated 25 residential property reservation holders whose reservations have yet to be executed, but who for various circumstances are unable to complete the required documentation by the November 09, 2018 deadline; and

WHEREAS, GHURA desires to support the efforts underway by these last residential reservations, to secure their financing and/or reconcile their documentation and accounts in order to execute their reservations; and

WHEREAS, in so doing, GHURA believes it is in the best interest of these reservation holders, and speaks positively of GHURA's commitment to the intent of the redevelopment effort, to extend the timeline for the completion and execution of these reservations in support of residential development; and, now therefore, be it

RESOLVED, GHURA's Board of Commissioners approves a one-year extension to completely execute any outstanding reservations for residential properties in accordance with the Asan Redevelopment Plan and Asan Disposition Policy as they pertain to residential reservations; and be it further

RESOLVED, GHURA's Board of Commissioners approves this extension only through November 09, 2018.

IN REGULAR BOARD MEETING, SINAJANA, GUAM – November 8, 2017

PASSED BY THE FOLLOWING VOTES:

AYES: George Santos, Thomas Borja, George Pereda, & Joseph Leon Guerrero

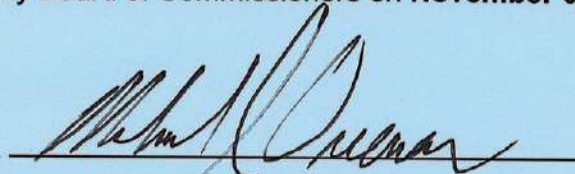
NAYS: NONE

ABSENT: Eliza Paulino

ABSTAINED: Carl Dominguez

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted by the Guam Housing and Urban Renewal Authority Board of Commissioners on **November 08, 2017.**

(S E A L)



MICHAEL J. DUENAS

Secretary/Executive Director





GHURA

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



Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lt. Governor of Guam

George A. Santos
Chairman

Thomas E. B. Borja
Vice Chairman

Carl V. Dominguez
Commissioner

George F. Pereda
Commissioner

Eliza U. Paulino
Commissioner

Joseph M. Leon Guerrero
Resident Commissioner

Michael J. Duenas
Executive Director

Pedro A. Leon Guerrero, Jr.
Deputy Director

MEMORANDUM

TO Executive Director 
FROM Chief Planner 
DATE 27 October 2017
SUBJECT Request for one-year extension to complete residential reservations under the Asan Redevelopment Plan

The 40-year term of the Asan Community Redevelopment Plan (the Plan) is set to expire in less than one month on November 10, 2017. On this date, GHURA administration of the Plan and the property reservation process will end. In the course of notifying reservation holders-of-record, an estimated 25 individuals responded to our notice and have come forth to express an active (albeit late) interest in executing their reservations. For several months now we have been working with these individuals who, despite sincere efforts to do so, will not be able to meet the conveyance requirements by the expiration deadline. In the interest of providing every opportunity to these last residential reservation holders, we ask that management consider a request to the GHURA Board of Commissioners to approve a one-year extension of these processes and only these processes of the Plan.

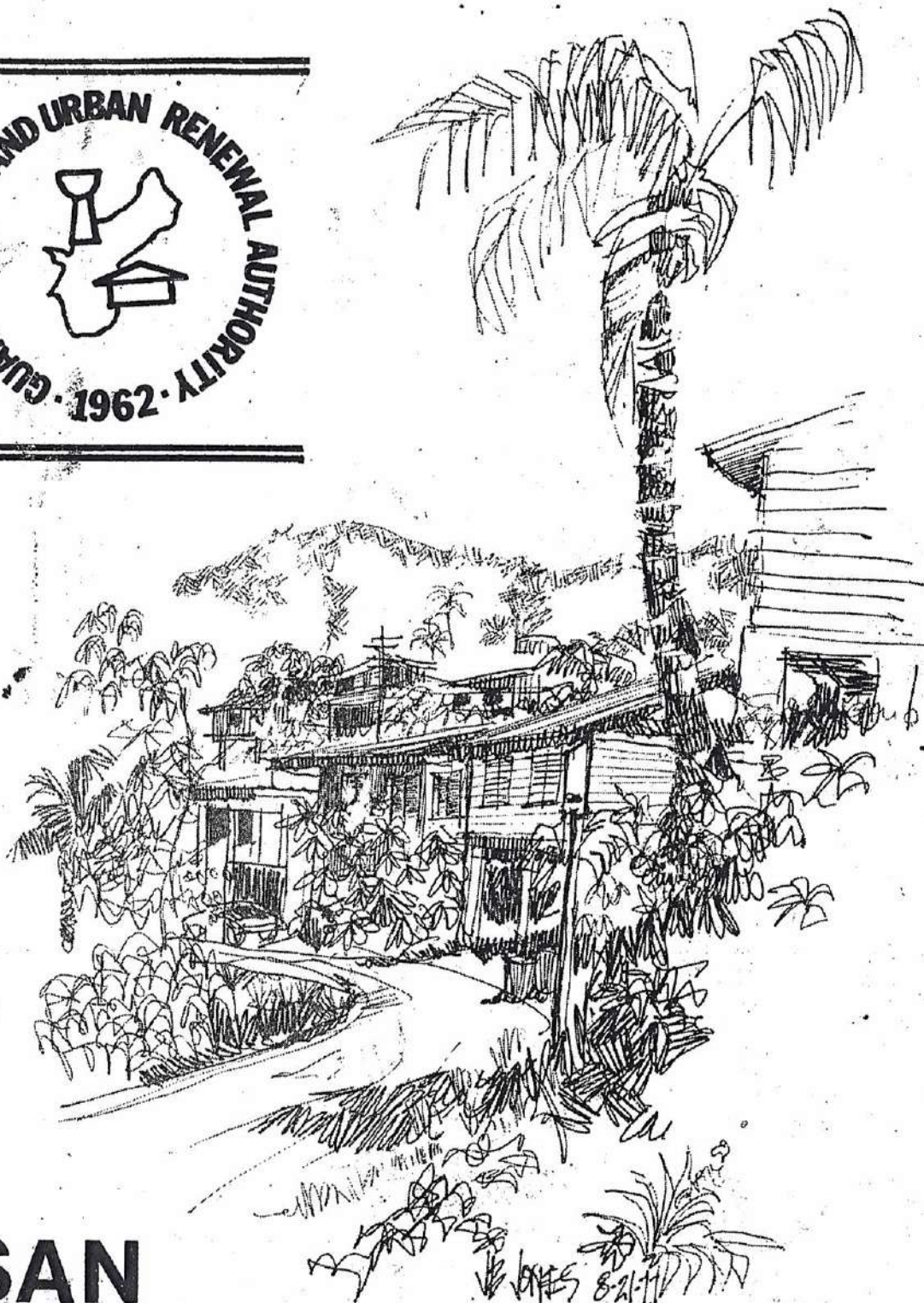
Section E of the Plan provides for procedures to make changes to the approved Plan. The section reads as follows:

E. PROCEDURES FOR CHANGES IN THE APPROVED PLAN
This Plan may be modified at any time in accordance with applicable local law, provided, that if it is modified after the lease or sale of property in the project area, the modification shall first be consented to in writing by the redeveloper(s) of any property affected by the proposed modification.

This request is for one year and would end on November 10, 2018. Under the one-year extended timeline, reservation holders will be afforded a final window of opportunity to complete the execution of their reservations. Unexecuted reservations after this deadline will be terminated.

I am available at any time of your choosing to discuss this request.

Thank you.



ASAN

COMMUNITY REDEVELOPMENT PLAN

GUAM DESIGNATION R - 3 [a]
AUGUST 1977

Handwritten: until 12-19-77

OFFICE OF THE RECORDER
INSTRUMENT NUMBER 285427
This instrument was filed for record on 10
day of Nov. 19 77, at 1:30 PM
and duly recorded in Book at Page
Recording Fee or Voucher No.

[Signature]

COMMUNITY REDEVELOPMENT PLAN

ASAN

GUAM DESIGNATION R-3(a)

AUGUST 1977

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

ASAN VILLAGE OFFICIALS

COMMISSIONER:

| | |
|------------------------|----------------------|
| Jose S. Quitugua | Commissioner/Advisor |
| Rev. Bill Ludlum | Advisor |

ASAN COUNCIL:

| | |
|------------------------------|---------------|
| Vicente C. San Nicolas | Chairman |
| Francisco Q. Taitano | Vice Chairman |
| Teresita C. Lizama | Secretary |
| Francisco Acfalle | Member |
| Antonio L. G. Jesus | Member |
| Mary S. Jesus | Member |
| Jose B. Leon Guerrero | Member |
| Manuel C. Limtiaco | Member |
| Jose T. Maanao | Member |
| Jesus F. Quitugua | Member |
| Johnny M. Quitugua | Member |
| Carlos T. Rojas | Member |
| Ana Santos | Member |
| Paul Santos | Member |
| Jesus M. San Nicolas | Member |
| Vicente S. N. Taijeron | Member |

TERRITORIAL PLANNING COMMISSION

| | |
|---------------------------|---------------|
| Carl Peterson | Chairman |
| Frank E. Perez | Vice Chairman |
| Lamberto Q. Certeza | Member |
| Monte L. G. Mafnas | Member |
| David J. Ulloa | Member |
| Donald Weakley | Member |
| Domie Bumagat | Member |

ASAN COMMUNITY REDEVELOPMENT PLAN

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A. INTRODUCTION

This Community Redevelopment Plan for Asan was prepared in accord with the provisions of Title I of the Housing and Community Development Act of 1974 and pursuant to Public Law 135 of the Sixth Guam Legislature (Chapter 12, Title XIV, Government Code of Guam.)

The Village of Asan is plagued with an inadequate utility infrastructure; lack of public safety and public recreation facilities; substandard housing conditions; poor traffic and hazardous traffic conditions; chronic erosion, drainage and flooding problems; strip zoning and an incredibly incompatible mixture of land uses. Nearly one-half of the existing structures in the village are substandard. This Community Redevelopment Plan sets forth the objectives which the Government wishes to achieve, the manner and method it will employ and the improvements it proposes to construct in redeveloping the Asan area.

The Project has been designated, The Asan Community Redevelopment Project, No. R-3(a).

B. PROJECT AND BOUNDARY DESCRIPTION

I. Project Description and Location

The Asan Community Redevelopment Project involves the redevelopment of the entire Village of Asan and includes the acquisition and disposition of residential, commercial, recreational and institutional structures, demolition, rehabilitation and

reconstruction of residential and community facilities. It also involves the reconstruction of the community's transportation, water, sewerage, drainage, power and communication infrastructures.

The project area is situated on the northern slopes and at the base of Nimitz Hill facing the Philippine Sea, between the City of Agana and Piti Village. It encompasses approximately 110 acres and is bounded by National Park Service (United States Department of Interior) and private property to the South and East, U. S. Government property to the West recently designated as the site for the proposed Asan Elementary School, and the Philippine Sea to the North.

The proposed redevelopment project will be undertaken under the administration and supervision of the Guam Housing and Urban Renewal Authority pursuant to Public Law 135 of the Sixth Guam Legislature, Chapter 12, Title XIV, Government Code of Guam with Federal financial assistance pursuant to Title I of the Housing and Community Development Act of 1974. The project is specifically authorized under 24 CFR 570.200 under the purview of the U. S. Department of Housing and Urban Development.

II. BOUNDARY DESCRIPTION

ASAN COMMUNITY REDEVELOPMENT PROJECT

GUAM R-3(a)

BEGINNING at Point Number one S $48^{\circ} - 53' - 26''$ W., 641.347 feet from GGTN IW.5 (1963 Triangulation Station) to point of beginning having coordinates of North 164,757.783 feet and East 153,719.899 feet; thence

- (1) S. $34^{\circ} 24' 20''$ E., 50.00 feet to Point No. 2, the intersection with the South Boundary of Marine Drive Right-of-Way; thence
- (2) Southerly along the West Boundary of Lot 289-1-1 to the Southeast corner of Lot 289-1-1 of said boundary; thence
- (3) Southerly along the Northern Boundary of Lot 289-R5 to 20 feet Southeast of said Boundary; thence
- (4) Northeasterly along the Northern Boundary of Lot 289-R5 to the Eastern Boundary of Lot 289-R5; thence
- (5) Southeasterly along the Eastern Boundary of Lot 289-R5; to the Southeast Corner of said Boundary of Lot 289-R5; thence
- (6) Southwesterly along the Southeast Boundary of Lot 289-R5 to the Southwest corner of said Boundary of Lot 289-R5; thence
- (7) Southeasterly along the South Boundary of Lot 289-R5 to the Southernmost corner of said Boundary of Lot 289-R5; thence
- (8) Northwesterly along the Southwest Boundary of Lot 289-R5 to the most Southwest corner of Lot 289-R5; thence
- (9) Southwesterly along South of the most Southern Boundary of Lot 298-1 to South of most Southwestern corner of Lot 298-1; thence

- (10) Southwesterly along South of the Southern Boundary of Lot 299-1 to Southwest of the most Southwestern corner of Lot 299-1; thence
- (11) Northwesterly along the Northeastern portion of Lot 300-1 to the Intersection of Southeast Boundary of Lot 2, Block 3 Asan Village, Marianas Area Drawing No. 10081; thence
- (12) Southwesterly along the Southeast Boundary of Lot 1, Block 3, Asan Village to the most Southern corner of Lot 1, Block 3, Asan Village; thence
- (13) Northwesterly along with the Southwest Boundary of Lot 1, Block 3, Asan Village to the Intersection of the South Street Alley; thence
- (14) Northwesterly along the street to the intersection of the Southern Boundary of Lot 10, Block 9, Asan Village; thence
- (15) Southwesterly along the Southern Boundary of Lot 9, Block 10, Asan Village to the most Southern corner of Lot 9, Block 3, Asan Village; thence
- (16) Southwesterly along the Southeastern Boundary of Block 9, Asan Village; thence
- (17) Southwesterly along the most Southern Boundary of Block 10, Asan Village; thence
- (18) Northwesterly along the Southwest Boundary of Lot 6, Block 10, Asan Village for a distance of 60.63 feet to the Northernmost corner of lot X; thence
- (19) Southwesterly through Lot X at a bearing of S 54°-01'-19"W for a distance of 623.63 feet to a point on the Southern Boundary of Lot X; thence

- (20) Northwesterly along the Southern Boundary of Lot X to the Northwest corner of said Boundary; thence
- (21) Northwesterly along the Southern Boundary of Lot X to the Northwest corner of said Boundary; thence
- (22) Southwesterly along the Southern Boundary of Lot X to the Southwesterly corner of said Boundary; thence
- (23) Southwesterly along the Southeastern Boundary of Lot 427-E REM to the Southwestern corner of said Boundary; thence
- (24) Southwesterly along the Southeastern Boundary of Lot 427-E REM to the Southern corner of said Boundary; thence
- (25) Southeasterly along the Northeastern Boundary of Calacag Subdivision Drawing No. C4-567370 to the Southern corner of this Boundary; thence
- (26) Southwesterly along the Northeast Boundary of Calacag Subdivision Drawing No. C4-56T370 to the Southwestern corner of the said Boundary; thence
- (27) Southeasterly along the Northeast Boundary of Lot 7, Block 1 Calacag Subdivision to the Southern corner of said Boundary; thence
- (28) Southeasterly along the Eastern Boundary of Lot 7, Block 1 Calacag Subdivision to the most Southeastern corner of Calacag Subdivision; thence
- (29) Southwesterly along the South of Calacag Subdivision to the Southern corner of the said Boundary; thence
- (30) Southwesterly along the South of Calacag Subdivision to the Southwestern corner of the said Boundary; thence

- (31) Northwesterly along the Southern Boundary of Calacag subdivision to the Northern corner of the said Boundary; thence
- (32) Northeasterly along the Southwestern Boundary of Calacag Subdivision to the Northeast corner of the said Boundary; thence
- (33) Northwesterly along the Southwestern Boundary of Calacag Subdivision to the Northern corner of the said Boundary; thence
- (34) Northeasterly along the concave curve with a radius of 20 feet and a central angle of 90 degrees, zero minutes and zero seconds to the Northern corner of the said Boundary; thence
- (35) Northwesterly along the Southwestern Boundary of Calacag Subdivision to the Northern corner of the said Boundary; thence
- (36) Southwesterly along the Southwest Boundary of Calacag Subdivision to the Western corner of this Boundary; thence
- (37) Northwesterly along the Western Boundary of Block 2, Calacag Subdivision to the Northern corner of the said Boundary; thence
- (38) Northwesterly along the Western Boundary of Block 2, Calacag Subdivision to the Northern corner of the said Boundary; thence
- (39) Northeasterly along the Northwestern Boundary of Block 2 Calacag Subdivision to the Eastern corner of the said Boundary; thence
- (40) Northeasterly along the Northwestern Boundary of Block 2 Calacag Subdivision to the Northern corner of the said Boundary; thence
- (41) Southwesterly along the Southern Boundary of Lot 427-W-REM to the Western corner of the said Boundary; thence
- (42) Northerly along the Southern Boundary of Lot 427-REM to the Northern corner of the said Boundary; thence

- (43) Northwesterly along the Southwestern Boundary of Lot 427-W REM
to the Northwestern corner of the said Boundary; thence
- (44) Northwesterly along the Southwestern Boundary of Lot 427-W REM
to the Northwest corner of the said Boundary; thence
- (45) Northwesterly along the Southwestern Boundary of Lot 427-W REM
to the Northwestern corner of the said Boundary; thence
- (46) Southwesterly along the Westernmost Boundary of Lot 427-W REM
to the most Western corner of Lot 427-W REM; thence
- (47) Northwesterly along Eastern Boundary of Lot 429-4 to the Western
corner of the said Boundary; thence
- (48) Northeasterly along the Eastern Boundary of Lot 429-4 to the
Eastern most corner of the said lot; thence
- (49) Northwesterly along the Northern Boundary of Lot 429-4 to the
Westernmost corner of Lot 426; thence
- (50) Northwesterly along the Northern Boundary of Lot 429-4 to the
Northeastern corner of Lot 462; thence
- (51) Northwesterly along the Northern Boundary of Lot 462 to the
Northern corner of the said lot; thence
- (52) Southwesterly along the Northern Boundary of Lot 462 to the
Northern corner of the said lot; thence
- (53) Northwesterly along the Northern Boundary of Lot 462 to the
Northern corner of the said lot intersecting Marine Drive; thence
- (54) Northeasterly along the Southern Boundary of Marine Drive to the
Northwestern Boundary of Lot 426; thence
- (55) Northeasterly along the Southern Boundary of Marine Drive to the
Northeastern most Boundary of Lot 425-2; thence

- (56) Northerly along the Boundary Line Crossing Marine Drive to the Northern intersection of Marine Drive; thence
- (57) Northerly along the Boundary Line Crossing Marine Drive to the Northernmost corner of the said Boundary; thence
- (58) Northeasterly along the Northwestern Boundary of Marine Drive to the Northern corner of the said Boundary; thence
- (59) Northeasterly along the Northwestern Boundary of Marine Drive to the Northernmost corner of the said Boundary; thence
- (60) Northerly along the Northwestern Boundary to the Northernmost corner of the said Boundary; thence
- (61) Northerly along the Northwestern Boundary crossing the River to the Northernmost corner of the said Boundary; thence
- (62) Southeasterly along the Northeastern Boundary to the Northwestern - most corner of Lot 330-1; thence
- (63) Northeasterly along the Northern Boundary of Lot 330-1 to the Northernmost corner of the said lot; thence
- (64) Northeasterly along the Northern Boundary of Lot 329-1 to the Northernmost corner of the said lot; thence
- (65) Northeasterly along the Northern Boundary of Lot 328-1 to the Northernmost corner of the said lot; thence
- (66) Northeasterly along the Northern Boundary of Lot 327-1 to the Northernmost corner of the said lot; thence
- (67) Northeasterly along the Northern Boundary of Lot 326-1 to the Northeastern corner of the said lot; thence
- (68) Southeasterly along the Northern Boundary of Lot 325-1 to the Northeastern corner of the said lot; thence

- (69) Southeasterly along the Northern Boundary of Lot 324-1 to the
Northeastern corner of the said lot; thence
- (70) Southeasterly along the Northern Boundary of Lot 323-1 to the
Northeastern corner of the said lot; thence
- (71) Southeasterly along the Northern Boundary of Lot 322-1 to the
Northeastern corner of the said lot; thence
- (72) Southeasterly along the Northern Boundary of Lot 321-1 to the
Northeastern corner of the said lot; thence
- (73) Southeasterly along the Northern Boundary of Lot 320-1 to the
Northeastern corner of said lot; thence
- (74) Southeasterly along the Northeastern Boundary of Lot 319 to the
Northeastern corner of said lot; thence
- (75) Southeasterly along the Northern Boundary of Lot 318 to the North-
eastern corner of said lot; thence
- (76) Southeasterly along the Northern Boundary of Lot 317 to the North-
eastern corner of the said lot; thence
- (77) Southeasterly along the Northern Boundary of Lot 316 to the North-
eastern corner of Lot 316; thence
- (78) Northeasterly along the Northern Boundary of Lot 315 to the North-
eastern corner of Lot 315; thence
- (79) Northeasterly along the Northeastern Boundary of Lot 314 to the
Northeastern corner of said lot; thence
- (80) Northeasterly along the Northeastern Boundary of Lot 313 to the
Northeastern corner of said lot; thence
- (81) Northeasterly along the Northwestern Boundary of Lot 312 to the
Northeastern corner of Lot 312; thence

- (82) Northeasterly along the Northwestern Boundary of Lot 311 to the Northernmost corner of said lot; thence
- (83) Northeasterly along the Northwestern Boundary of Lot 310 to the Northernmost corner of said lot; thence
- (84) Northeasterly along the Northwestern Boundary of Lot 309 to the Northernmost corner of said lot; thence
- (85) Northeasterly along the Northwestern Boundary of Lot 308 to the Northernmost of Lot 308; thence
- (86) Northeasterly along the Northwestern Boundary of Lot 307 to the Northernmost of Lot 307; thence
- (87) Northeasterly along the Northwestern Boundary of Lot 306 to the Northernmost of Lot 306; thence
- (88) Northeasterly along the Northwestern Boundary of Lot 305-1 to the Northernmost of Lot 305-1; thence
- (89) Northeasterly along the Northwestern Boundary of Lot 304-1 to the Northernmost of Lot 304-1; thence
- (90) Northeasterly along the Northwestern Boundary of Lot 303-1 to the Northernmost of Lot 303-1; thence
- (91) Northeasterly along the Northwestern Boundary of Lot 302-1 to the Northernmost of Lot 302-1; thence
- (92) Northeasterly along the Northwestern Boundary of Lot 301-1 to the Northernmost of Lot 301-1; thence
- (93) Northeasterly along the Northwestern Boundary of Lot 294 to the Northernmost corner of said lot; thence
- (94) Northeasterly along the Northwestern Boundary of Lot 293 to the Northernmost corner of said lot; thence

- (95) Northeasterly along the Northwestern Boundary of Lot 292 to the
Northeastern corner of said lot; thence
- (96) Northeasterly along the Northwestern Boundary of Lot 291 to the
Northernmost corner of Lot 291; thence
- (97) Southeasterly along the Northeastern Boundary of Lot 291 to the
Point of Beginning, and being in Land Square 21, Section 1.

III COMMUNITY REDEVELOPMENT OBJECTIVES

The objectives of the Project are as follows:

1. Creation of a planned development for the village of Asan, through reconstruction and rehabilitation, including sites for both low and medium density housing units of low or moderate cost and necessary commercial, civic center and recreational facilities.
2. Modification and construction of public improvements, transportation, utility, and a solid waste system infrastructure, as are necessary to carry out the provisions of this plan; the provision of land for public facilities, including a community center, tot lots, playfields and others.
3. Removal of structurally substandard buildings, to restore the project area to its best economic use and to encourage new construction.
4. Elimination of environmental deficiencies, including unuseable and irregular lots, inadequate street layouts, overcrowding of the land, hazardous and inadequate drainage conditions, open dumps, unsightly overhead utility lines.
5. Retention of elements of historical or sociological value, respecting the cultural values of the community and maintaining a "Guam Village" lifestyle.
6. The construction of housing resistant to earthquake, typhoons, termites and corrosion.

IV PROPOSED REDEVELOPMENT ACTIONS:

1. Rehabilitation of buildings or other improvements to remain in accordance with the Plan.
2. Acquisition of real property, or any interest or estate therein, by lease, option, purchase, gift, grant, donation, appropriation, bequest, devise or by the exercise of eminent domain, to eliminate unhealthful, unsanitary, unsafe conditions, reduce density or other uses detrimental to the public welfare or otherwise to remove or prevent the spread of blight or deterioration or to provide land for needed public facilities.
3. Demolition and removal of buildings and improvements as necessary.
4. Disposition of any property acquired in the project area at its fair value for uses in accordance with this Plan, subject to such covenants running with the land, conditions and restrictions necessary to prevent development of future blighted areas.
5. Relocation of the occupants presently occupying the structures in the project area that are to be demolished.
6. Construction or installation of necessary public improvements and facilities.

C. ASAN COMMUNITY REDEVELOPMENT PLAN

I. Land Use Map

The Land Use Plan Map, included as Exhibit 1 of this Plan, indicates the type and location of land uses to be permitted in the project area.

II. Land Use Provisions and Building Requirements

In addition to applicable local codes and ordinances that are in effect, the development or redevelopment of land in this project area shall be subject to the regulations and controls set forth herein. Where any conflict may arise, the specific elements of this plan shall govern except for matters of public health and safety. The Rehabilitation Standards to be applied to properties not to be acquired are set forth in the attachment hereto.

Permitted Uses:

As shown on Exhibit 1, Land Use Plan Map, the following use areas are created permitting the cited uses together with accessory uses customarily appurtenant thereto.

A. Low Density Residential area - ASN R-1

1. Permitted Uses: Single-family detached dwellings and attached (duplex) dwellings. The minimum lot size shall be 4,000 square feet.

Land Use Controls:

1. Minimum setbacks:

- A) Front Yard : 4 feet
- B) Side Yard : 5 feet (10' separation between buildings)
- C) Rear Yard : 5 feet

2. Types of Structures Allowed:

A) Single family detached

Permitted on all lots.

A second detached dwelling unit will be permitted within lots of 5,000 sq.ft. or greater provided the lot has a minimum of 100 linear ft. of frontage.

B) Attached Dwelling Units (Duplex)

Permitted on all lots provided the specified set backs are followed and adequate open lot space is provided for each dwelling unit.

C) Limited commercial/residential establishments (Mom &

Pop Stores) are permitted provided the following criteria is met:

- (1) Three establishments are permitted within the village as designated on Exhibit 1.
- (2) Such establishments are not permitted closer than 500 feet from a similar establishment; such a facility is not permitted within 250 feet of a church.
- (3) Minimum lot size is 4000 sq.ft.

- (4) Facilities are not permitted to front on one-way streets.
- (5) A minimum of four offstreet paved or semi-paved parking spaces are provided.
- (6) Signs are only allowed in the front building elevation, not to exceed 5% of the total area of front surface; free standing signs, flashing signs, or moving signs are not permitted.
- (7) All setbacks as required in zone ASN R1 are complied with.
- (8) The establishments are integral commercial/residential units.
- (9) The establishments are not to be nuisances to their neighbors, from either a noise, health or safety standpoint.

3. Minimum off-street parking requirements:

- (a) Number: Minimum shall be 2 paved or semi-paved spaces per dwelling unit. A paved area is defined as having a surface of asphalt paving or concrete. Semi-paved areas can consist of patio/conc. tile spaced to permit grass in between tile. The second space may be staked in front of the first space.

If two dwelling units exist on the lot, a total of three paved (or semi-paved) parking spaces would be required.

- (b) Size : Minimum size of parking sarea shall be 180 square feet per space.

4. Maximum Lot Coverage: 50% of total lot area

5. Maximum Height Permitted;

- (a) Sites with natural slopes of 0 to 8%
 - 2 stories - 24 ft. height
- (b) Sites with downhill natural slopes (of greater than 8%)
 - from the right-of-way can be 2 stories, however,
 - limited to 1-1/2 stories, 16 ft. max. above
 - adjacent street level.

- c) Sites with uphill natural slopes (of greater than 8%) from the right-of-way can be 2 stories, 24 feet max. above adjacent finished grade.

The intent of the above criteria for the hillside area is to minimize the blockage of views and air circulation, and to maintain the traditional urban scale of the village streets.

Churches

Churches shall be allowed in residential areas provided:

1. The location must front the main village collector street (44' right-of-way minimum)
2. The minimum lot size is 20,000 square feet; and
3. Parking is provided on a ration of 1 off-street parking space for every 12 seats in the main auditorium.

B. Medium Density Residential Area - ASN R2

1. Permitted Uses; Single dwelling detached units and multi-attached units.

Land Use Controls:

1. Minimum setbacks:
 - 1) Front Yard : 10 feet
 - 2) Side Yard : 8 feet
 - 3) Rear Yard : 10 feet
2. Types of Structures allowed:
 - a) Single Detached Units
Permitted on all lots

A second detached dwelling unit will be permitted within lots of 5,000 sq.ft. or greater provided the lot has a minimum of 100 linear ft. of frontage.

b) Attached Dwelling Units (Duplex)

Permitted on all lots provided the specified set backs are followed and adequate open lot space is provided for each dwelling unit. Adequate open space shall be defined as space required for proper ventilation and as an individual yard area of 200 sq.ft. with a minimum dimension of 10 feet.

c) Multi-Dwelling Units

Permitted on all lots with a minimum lot size which would provide for 1250 sq.ft. of lot area per dwelling. The architectural scale should be comparable to individual dwellings. Except for existing structures, the overall building exterior should be modulated accordingly. (i.e., new apartment blocks with monotonous facades are not permitted).

3. Minimum off-street parking requirements:

- 1) Number: Minimum shall be one and a half (1-1/2) paved spaces per dwelling unit for multi attached units. A single detached dwelling unit per lot must provide two (2) paved or semi-paved spaces similar to the requirements of ASN R-1. A paved area is defined as having a surface of asphalt paving or concrete.
- 2) Size : Minimum size of parking area shall be 180 square feet per space.

4. Maximum Lot Coverage:

- 1) Exterior Lot 50%

5. Maximum Height Permitted:

- 1) Two Stories, not to exceed 24 feet.

Churches

Churches shall be allowed in residential areas provided:

1. The minimum lot size is 20,000 square feet; and
2. Parking is provided on a ratio of 1 off-street parking space for every 12 seats in the main church auditorium.

C. High Density Residential Area - ASN R3

1. Permitted Uses: Multi-dwelling structures. Lot area per dwelling unit shall be not less than 1250 square feet.

Land Use Controls:

1. Minimum setbacks:

- a) Front Yard : 10 feet
- b) Side Yard : 8 feet
- c) Rear Yard : 10 feet

2. Types of structures allowed:

- a) Multi-dwelling structures with minimum number of 4 units per structure. The architectural scale should be comparable to individual dwellings. Except for existing structures, the overall building exterior should be modulated accordingly (i.e., new apartment blocks with monotonous facades are not permitted)

3. Minimum off-street

- a) Number: Minimum shall be one and a half (1-1/2) space paved or semi-paved unit.
- b) Size: Minimum size of parking area shall be 180 square feet per space.

4. Maximum Lot Coverage:

- 1) Exterior Lot 50%

5. Maximum Height Permitted:

- 1) Two Stories, not to exceed 24 feet.

D. Village Commercial Center - ASN C

Permitted Uses:

1. Retail stores and personal service establishments
2. Offices, business/professional
3. Banks
4. Restaurants and cocktail lounges -- Drinking establishments shall not be allowed within a 250 ft. radius from the exterior wall surface of a church.

a) Conditional Use:

Service Station: In the section of the commercial area designated as area "C" on Exhibit 2, only one facility will be permitted.

Access from Marine Drive is via the entrance to the commercial area, no direct access is permitted. The facility must be buffered by landscaping and planting areas as indicated on Exhibit 2.

A major automotive repair, or body and fender type facility is considered light industrial use and is not permitted. Junk cars, etc., are not permitted.

Warehousing facilities are considered light industrial use and are not permitted. Storage facilities which are an integral part of a retail establishment are permitted provided the primary use is not warehousing.

Land Use Controls:

1. Minimum setback: None

2. Minimum off-street parking requirements:

Retail stores - 1 space per 300 sq.ft. of floor area.

Offices, business or professional and banks - 1 space per 400 square feet of floor area.

Restaurants and cocktail lounges - One space for each 100 square feet of customer area.

The above will be the basis for determining overall parking area responsibility and the commercial facility will be structured in such a way as to function as a commercial owners association with regulating actions and restrictions approved by the Authority.

3. Maximum Building Height.

Two (2) Stories; maximum 24 feet.

4. Structure Location:

Structures shall be constructed within the designated building lines, as shown on Exhibit 2, attached.

5. Signs:

- a) Individual store signs shall be located on the front wall surface and be non-flashing, non-moving, and shall not extend out from the wall surface more than eighteen (18) inches nor cover more than 5% of the front wall surface.
- b) No individual signs shall be allowed on the side or rear wall surfaces fronting public roads or land.

- c) Stores having two front walls which face into the main commercial area shall be allowed to install two (2) signs conforming to item (a) of this section.
- d) A free-standing, non-moving, non-flashing sign not to exceed 60 square feet in area on each side, and not to exceed 12 feet in height, shall be permitted for the purpose of identifying the village Commercial Center at the vehicular entrance/exit from route one.
- e) The village commercial center may have a free-standing sign located at each major vehicular entry/exit from the interior roads of the village and is permitted as indicated on Exhibit 2. The signs shall be low profile, non-moving, non-flashing, not to exceed 40 sq.ft. in area on each side and not to exceed 5 feet in height.
- f) No sign shall extend above the roof line.

Uniform signage consisting of uniform graphic scale and size are to be established by the commercial owners association with the approval of the Authority. The intent is to minimize garnishness and maximize visual harmony within the commercial center.

E. Village Civic Center

Permitted Uses:

Community center and village market, recreation buildings and recreation areas.

F. Recreation and Greenbelt Areas

Permitted Uses:

Playlots, neighborhood centers, greenbelts and playfields.

1. Playlots: It is the Plan's objective that playlots will be designated for the use of pre-school children and will have direct, landscaped pedestrian access from adjacent residential areas. The playlots will be adequately landscaped and shall provide for a system of pedestrian walkway and lighting, in addition to equipped play areas.
- b) Neighborhood Centers: Temporary structures of a historic cultural background may be approved by the Authority, provided:
 - 1) The facilities be constructed of native materials, bamboo thatch, etc., i.e.: corrugated roofing, plywood, asphalt roofing etc. is not permitted.
 - 2) They comply with health and safety regulations.
 - 3) The facilities are to be restricted only to areas immediately adjacent to adequate parking and are to be coordinated with the overall pedestrian circulation system of the village.
 - 4) These temporary structures can be easily removed within hours and the site is left in good condition.
 - 5) Temporary commercial use of these structures will be allowed provided approval is obtained from the Authority.
- c) Greenbelts: It is the Plan's objective to provide a system of landscaped strips of public land within the project area to allow for buffering between different land uses and in areas of steep topography. All greenbelt areas should where possible incorporate a system of pedestrian walkways and picnic facilities.
- d) Playfield: The Playfield areas will include a system of pedestrian walkways, lighting, ballfields and other related facilities.

III. Variances

Where undue hardships, practical difficulties, or consequences inconsistent with the general purposes of this Plan result from the literal interpretation and enforcement of the Land Use Provisions and Building Requirements imposed by this plan, the Authority, upon receipt of a verified application from the owner of the property affected, stating fully the grounds of the application and facts pertaining thereto, and upon its own further investigation, may grant variances under such conditions and safeguards as it may determine, consistent with the general purposes and intent of this Plan, provided that in no instance will any adjustments be granted that will change the land uses of the Plan. Other basic requirements of the Plan shall not be eliminated but adjustments thereof may be permitted provided such adjustments are consistent with the general purpose and intent of this Plan.

IV. Duration and Effective Date of Plan

The provisions and requirements of this Plan shall be covenants running with the land for a period of 40 years. The effective date of the Plan controls shall be the date of original approval of this Plan by the Government of Guam.

V. Applicability of Plan Requirements to Properties Not to be Acquired

The restrictions under "Permitted Uses" shall apply to all properties in the project area. The Property Rehabilitation Standards set forth in the attachment hereto shall apply to existing properties not to be acquired.

D. PROJECT PROPOSALS

I. Land Acquisition

a. Exhibit 3 "Project Boundary and Land Acquisition Map"

identifies all real property to be acquired for purposes of clearance for private and public redevelopment. Additional acquisition for rehabilitation demonstrations will be determined during the early stages of execution of the project.

b. Properties not designated for acquisition may be acquired when:

1. The owner of a property designated for rehabilitation treatment is unwilling or unable to improve the property in accordance with the Rehabilitation Standards included in this Plan. In the event of such acquisition, the Authority may sell the property subject to it being improved to meet the standards included herein, or, if this proves to be infeasible, clear the structure.

2. Further evaluation of properties designated for rehabilitation determine that such treatment is infeasible.

c. Property designated for acquisition and not required for public improvement or reparcelization purposes may be exempted from acquisition if such property has been or will be improved to conform to all applicable provisions and requirements of this Plan and is compatible with the uses or reuses existing or proposed in its specific location.

II. REHABILITATION AND CONSERVATION

The Rehabilitation Standards, attached hereto, are established for all properties in the project area that are not to be acquired:

III. PROPOSALS TO PROVIDE LOW AND MODERATE COST HOUSING

The Guam Housing and Urban Renewal Authority will provide low and moderate cost housing in areas to be designated after execution of the project.

IV. REDEVELOPERS' OBLIGATIONS

a. Time for Completion

Redevelopers shall begin and complete the development of the land for the uses required by this Plan and the construction of improvements agreed upon in the disposition contract within a reasonable period of time to be provided for in said disposition contract between the Authority and the redeveloper. In addition to the provision of sites for low-rent public housing, the disposition of acquired property will reflect attempts to maximize sales or rentals for low and moderate income persons and families.

b. Required Exhibits

Before the Authority will enter into any land disposition agreement with a redeveloper, the redeveloper shall submit to the Authority, for review and approval, sufficient exhibits to explain and illustrate the nature and design of the proposed development. These exhibits may be in the form of illustrative site plans, elevations, landscape plans, floor plans or any other exhibits which would be appropriate.

V. PROPOSED IMPROVEMENTS AND DESIGN CRITERIA

The following are the specific improvements featured in the Asan Community Redevelopment scheme:

1) Transportation Network

- a) Reconstruction and widening of village streets as well as construction of new streets and collector roads to conform to the following right-of-way corridors.

One-way village (residential)

Street. 20 feet min.

Two-way Village (residential)

Street. 30 feet min.

Collector Roads. 40 to 60 feet

- b) All primary village streets will be AC paved with concrete curbs and gutters, catch basins and an underground drainage collector system. Sidewalks will be provided as permitted by topography.

Collector roads will be AC paved with concrete curbs, gutters and sidewalks and will accommodate 2-way traffic with at least one parking lane.

The design of the drainage system for all streets and roads will be based upon Government of Guam Department of Public Works Storm Drainage Design Criteria. Minor bridges will be designed to adequately handle runoff from a storm having a recurrence interval of 20 years. Major bridges will be designed to handle 50-year storms.

- c) Design of the collector roads and major bridges will be in strict conformance with American Association of State Highway Traffic Officials' policy on the Geometric Design of Rural Highways.

d) Off-street pedestrian walkways will be provided where possible along designated public pedestrian access easements or incorporated into the development of green belts and recreation areas.

e) Bikeways, separated from vehicular traffic will be provided, along green belts and recreation areas to provide and encourage the use of bicycles for inter-village travel.

2. Sewerage System

A sewerage collection infrastructure will be provided as required to serve all lots. Design will be in accord with the Public Utility Agency of Guam Standards.

3) Water Supply and Distribution System

A water distribution system will be provided for the community. Design will be in accord with Public Utility Agency of Guam Standards.

4) Power and Communications System

An underground power and communication system will be provided and designed in accord with Guam Power Authority and Guam Telephone Authority (For power and communication systems, respectively) Standards.

5) Drainage System

Lot drainage requirements will be accommodated through the street drainage network. However, major flood control structures will be provided to intercept and dispose of storm water runoff from tributary drainage systems. A major drainage way will be set aside midway between Route 1 and the base of Nimitz Hill and will function as the drainage system corridor for a major substantial portion of the project area.

Portion of Asan and Calacag Rivers will be realigned, dredged and stabilized to contain predicted storm flows at a recurrence interval of 20 years and to correct extensive meanders. The Design Development Phase of the project will more accurately pinpoint the exact areas to be improved.

6) Reconstruction of Route 1 and Asan River Bridge

The reconstruction and widening of Route 1 and Asan River Bridge are essential to the successful redevelopment of Asan. However, because of budget limitations and fund applicability, these improvements are not within the scope of the project.

7) Public Recreation Areas

Playfields, tennis and basketball courts and tot lots will be constructed in specifically designated recreation areas. Hiking/biking/jogging trails will be provided along green belts and the Asan and Calacag Rivers.

Recreation facilities to be constructed as part of this project will be designed in cooperation with the Department of Parks and Recreation who will ultimately manage, operate and maintain the recreation areas.

The coastal area, from the eastern edge of Asan Point to the eastern boundary of the project will be cleared of all existing structures and will be developed for public recreational use.

E. PROCEDURES FOR CHANGES IN APPROVED PLAN

This Plan may be modified at any time in accordance with applicable local law, provided that if it is modified after the lease or sale of property in the project area, the modification shall first be consented to in writing by the redeveloper(s) of any property affected by the proposed modification.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Post Office Box CS

AGANA, GUAM 96910

1977

ASAN COMMUNITY REDEVELOPMENT PROJECT

GOVERNMENT OF GUAM

RICARDO J. BORDALLO

Governor

RUDOLPH SABLAN

Lieutenant Governor

FOURTEENTH GUAM LEGISLATURE

| | |
|------------------------------------|---|
| Senator Joseph F. Ada | Speaker |
| Senator Katherine B. Aguon | Vice Speaker |
| Senator Benigno M. Palomo | Chairman |
| | Committee on Housing and Community Development |
| Senator Vicente D. Ada | Member |
| Senator Frank Blas | Member |
| Senator Edward M. Calvo | Member |
| Senator Edward T. Charfauros | Member |
| Senator Edward R. Duenas | Member |
| Senator Jose R. Duenas | Member |
| Senator Ernesto M. Espaldon | Member |
| Senator Carl T. C. Gutierrez | Member |
| Senator Antonio M. Palomo | Member |
| Senator Franklin M. Quitugua | Member |
| Senator Jerry M. Rivera | Member |
| Senator Joe T. San Agustin | Member |
| Senator Francisco M. Santos | Member |
| Senator Richard F. Taitano | Member |
| Senator Tomas V. C. Tanaka | Member |
| Senator Howard F. Trapp | Member |
| Senator James H. Underwood | Member |
| Senator Antonio R. Unpingco | Member |

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

BOARD OF COMMISSIONERS:

| | |
|--------------------------|---------------|
| Jesus S. Okada | Chairman |
| Jesus L. Perez | Vice Chairman |
| Wallace J. Burgess | Commissioner |
| Felix V. Calvo, Jr. | Commissioner |
| Ronald A. Lujan | Commissioner |
| Felix C. Torres | Commissioner |

STAFF:

| | |
|-----------------------------|--|
| Pedro G. Cruz, Jr. | Executive Director |
| Leonard S. N. Paulino | Deputy Director |
| Jesus R. Maanao | Project Manager |
| Daniel R. Crisostomo | Chief of Engineering and Rehabilitation |

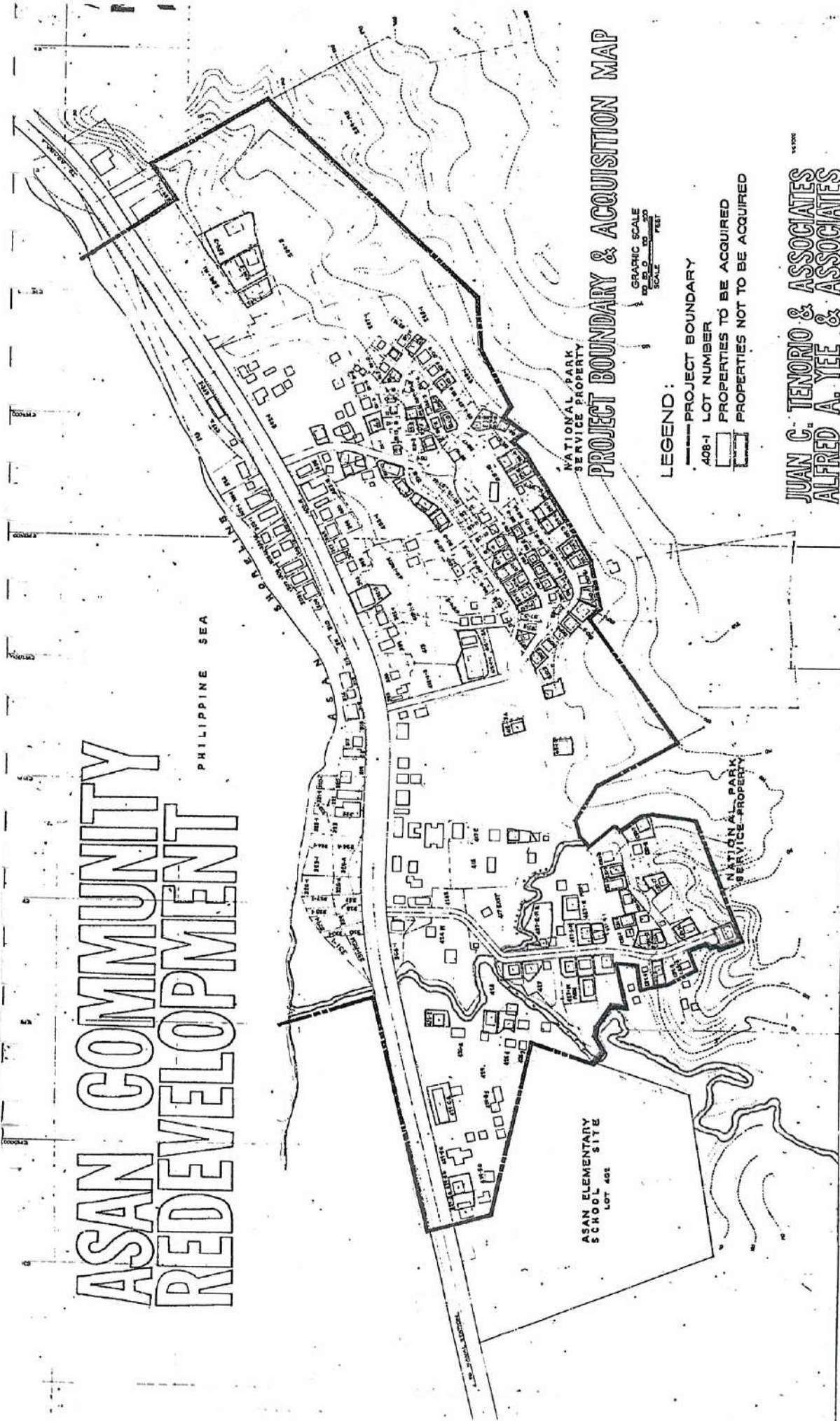
CONSULTANTS:

| | |
|------------------------------------|-------------------|
| Juan C. Tenorio & Associates, Inc. | |
| Juan C. Tenorio, P. E. | Project Manager |
| John P. Duenas, P. E. | Chief Engineer |
| Alfred A. Yee & Associates, Inc. | |
| Jack B. Jones, AIA | Project Architect |
| Von Watson | Architect |

The preparation of this Community Redevelopment Plan was financed through a Federal Advance from the U. S. Department of Housing and Urban Development pursuant to Title I of the Housing and Community Development Act of 1974.

ASAN COMMUNITY REDEVELOPMENT

PHILIPPINE SEA



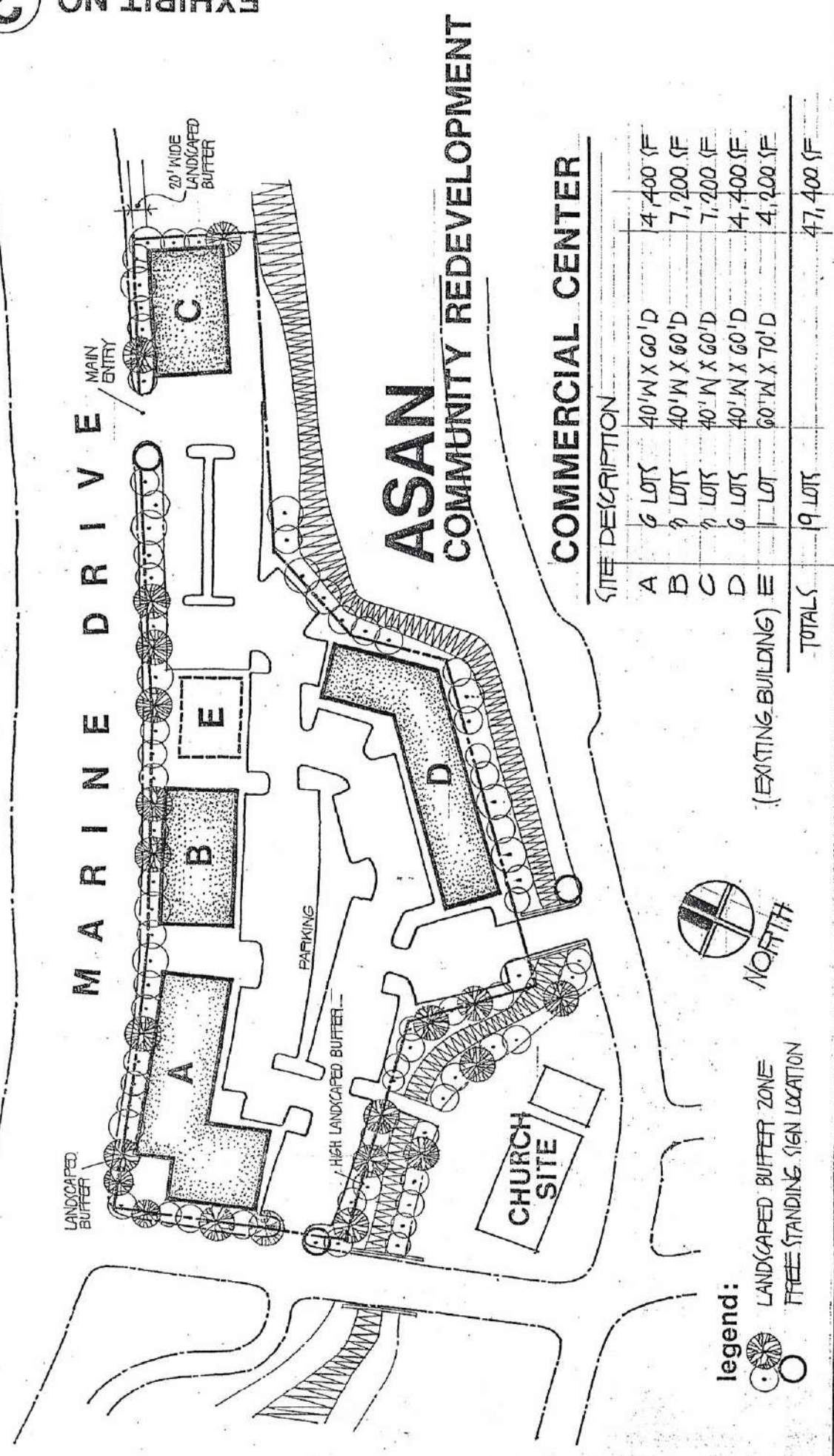
NATIONAL PARK
SERVICE PROPERTY
PROJECT BOUNDARY & ACQUISITION MAP

GRAPHIC SCALE
1" = 100' 0"

LEGEND:

- PROJECT BOUNDARY
- 408-1 LOT NUMBER
- ▨ PROPERTIES TO BE ACQUIRED
- PROPERTIES NOT TO BE ACQUIRED

JUAN C. TENORIO & ASSOCIATES
ALFRED A. YEE & ASSOCIATES



CERTIFICATION

I, PEDRO G. CRUZ, JR., Secretary and Executive Director of the GUAM HOUSING and URBAN RENEWAL AUTHORITY, hereby CERTIFY that the foregoing documents entitled ASAN COMMUNITY REDEVELOPMENT PLAN for the Asan Area, ratified on July 20, 1977, and adopted by Resolution No. 949 on August 17, 1977, and containing 30 pages and three (3) Exhibits, was duly and regularly adopted and approved by the Board of Commissioners of the Guam Housing and Urban Renewal Authority.

IN WITNESS WHEREOF, I have hereon subscribed my hand and affixed the seal of GUAM HOUSING AND URBAN RENEWAL AUTHORITY on this _____ day of August 1977.

PEDRO G. CRUZ, JR.
Secretary/Executive Director

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Aturidat Ginima' Yan Rinueban Siudat Guahan
BOARD OF COMMISSIONERS
RESOLUTION NO. FY2018-005

Moved By: CARL DOMINGUEZ

Seconded By: JOSEPH LEON GUERRERO


RESOLUTION TO APPROVE THE EXECUTION OF NEW, UPDATED DECLARATION OF TRUST DOCUMENTS FOR GHURA ASSET MANAGED PROPERTIES.

- WHEREAS,** The Board of Commissioners of the Guam Housing and Urban Renewal Authority (GHURA) is empowered by 12 Guam Code Annotated, Section 5104(5) to adopt rules and regulations providing for the internal organization and management of the Authority; and
- WHEREAS,** GHURA, in its capacity as a Public Housing Authority (PHA) has the legal responsibility to ensure that current Declaration of Trust (DOT) documents are recorded against all public housing property; and
- WHEREAS,** PHA's are required to ensure that current DOTs are recorded against all property acquired, developed, maintained, or assisted with HUD funds from the U.S. Housing Act of 1937 (Act) funds; and
- WHEREAS,** GHURA's Asset Management Properties (AMPs) and other property acquired, developed, maintained, or assisted with ACT funds are referred to as "public housing property."; and
- WHEREAS,** The Declaration of Trust (DOT) documents are legal instruments that grants HUD an interest in public housing properties; and
- WHEREAS,** DOTs provide public notice that public housing property must be operated in accordance with all public housing federal requirements, including the requirement not to convey or otherwise encumber the property unless expressly authorized by federal law and/or HUD; now therefore be it
- RESOLVED,** GHURA's Board of Commissioners approve the execution of new, updated DOTs for GHURA AMPs GQ001000001, GQ001000002, GQ001000003, and GQ001000004.

IN REGULAR BOARD MEETING, SINAJANA, GUAM - November 8, 2017
PASSED BY THE FOLLOWING VOTES:

AYES: George Santos, Thomas Borja, Carl Dominguez, George Pereda, & Joseph Leon Guerrero
NAYS: NONE
ABSENT: Eliza Paulino
ABSTAINED: NONE

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted by the Guam Housing and Urban Renewal Authority Board of Commissioners on **November 08, 2017.**


MICHAEL J. DUENAS
Secretary/Executive Director

(SEAL)

DECLARATION OF TRUST

PARTIES TO DOCUMENT:

OWNER: GUAM HOUSING AND URBAN RENEWAL AUTHORITY, a public body corporate and politic of the Territory of Guam.

ADDRESS: 117 Bien Venida Avenue, Sinajana, Guam 96910

Project Number: GQ001000001

Property Description:

Fee simple property located in the villages of Agana Heights, Sinajana, Mongmong, Toto and Asan, Guam.

Declaration of Trust
(Development Grant Projects *)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0075
exp. 10/31/2017

Whereas, (1, see instructions) the Guam Housing and Urban Renewal Authority (herein called the Public Housing Agency (PHA), a public body corporate and politic, duly created and organized pursuant to and in accordance with the provisions of the laws or ordinances of the (2) Territory of Guam, and the United States of America, Secretary of Housing and Urban Development (herein called HUD) pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437, et seq.) and the Department of Housing and Urban Development Act (5 U.S.C. 624) entered into a certain contract with effective date as of (mm/dd/yyyy) (3) 06/24/1998, (herein called the Annual Contributions Contract) and a certain Development Project Grant Amendment to the Annual Contributions Contract with the effective date as of (mm/dd/yyyy) (4) n/a, providing for a grant to be made by HUD to assist the PHA in financing a lower income housing project; and

Whereas, as of the date of the execution of this Declaration of Trust, the Development Project Grant Amendment and the Annual Contributions Contract cover the lower income housing project located in: (5)

Agana Heights, Mongmong, Sinajana and Asan, Guam

which will provide approximately (6) 158 dwelling units; and which lower income housing project will be known as:
Project No. (7) GQ001000001; and

Whereas, the Project and acquisition of the site or sites thereof will have been financed with grant assistance provided by HUD.

Now Therefore, to assure HUD of the performance by the PHA of the covenants contained in the Development Project Grant Amendment and Annual Contributions Contract, the PHA does hereby acknowledge and declare that it is possessed of and holds in trust for the benefit of HUD, for the purposes hereinafter stated, the following described real property situated in: (8)

Agana Heights, Mongmong, Sinajana and Asan, Guam

To Wit: (Insert legal description for the project.)(9)

See attached Exhibit "A"

and all buildings and fixtures erected or to be erected thereon or appurtenant thereto.

The PHA hereby declares and acknowledges that during the existence of the trust hereby created, HUD has been granted and is possessed of an interest in the above described Project property, To Wit:

The right to require the PHA to remain seized of the title to said property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the Annual Contributions Contract, or any interest in any of the same except that the PHA may (1), to the extent and in the manner provided in the Annual Contributions Contract, (a) lease dwellings and other spaces and facilities in the Project, or (b) convey or otherwise dispose of any real or personal property which is determined to be excess to the needs of the Project, or (c) convey or dedicate land for use as streets, alleys, or other public right-of-way, and grant easements for the establishment, operation, and maintenance of public utilities; or (d) enter into and perform contracts for the sale of dwelling units to members of tenant families, as authorized by the United States Housing Act of 1937, 42 U.S.C. 1437, et seq., or (2), with the approval of HUD, release the Project from the trust hereby created; Provided, That nothing herein contained shall be construed as prohibiting the conveyance of title to or the delivery of possession of the Project to HUD pursuant to the Annual Contributions Contract.

The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the PHA of any real or personal property which is determined to be excess to the needs of the Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public right-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying a dwelling unit, or an interest therein, to a member of a tenant family, or (4) upon any instrument of release made by the PHA of the Project shall be effective to release such property from the trust hereby created.

Upon expiration of the period during which the PHA is obligated to operate the Project in accordance with the Annual Contributions Contract, the trust hereby created shall terminate and no longer be effective.

In Witness Whereof, the PHA by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be hereunto affixed and attested this date (mm/dd/yyyy) _____.

(Seal)

(I, see instructions)

By Michael J. Duenas, Executive Director

Attest See Board Resolution No. _____ Secretary

Date (mm/dd/yyyy) _____

Exhibit "A"
Declaration of Trust
Project No. GQ001000001

Property Description

Sinajana, Guam (46 Units –Referenced on the ACC as Project Number GQ10P001001)

Tract, 201, Sinajana, containing an area of 18,344.09 square meters. Tract 201 is delineated on Drawing No. LCJ67T61-1R, which drawing is recorded in the office of the Recorder, Department of Land Management, Government of Guam, under Instrument No. 85493. Said tract is registered land, the last certificate of title being No. 22480, issued to the grantor.

Tract 202, Sinajana, containing an area of 14,035.79 square meters. Tract 202 is delineated on Drawing No. LCJ67T61-2R, which drawing is recorded in the office of the Recorder, Department of Land Management, Government of Guam, under Instrument No. 85493. Said tract is registered land, the last certificate of title being No. 22481, issued to the grantor.

Agana Heights, Guam (38 Units -Referenced on the ACC as Project Number GQ10P001001)

Tract 203, Sinajana, containing an area of 25,784.70 square meters. Tract 203 is delineated on Drawing No. LCJ67T61-4R, which drawing is recorded in the office of the Recorder, Department of Land Management, Government of Guam, under Instrument No. 85493. Said tract is registered land, the last certificate of title being No. 22482, issued to the grantor.

Mongmong, Guam (48 Units- Referenced on the ACC as Project Number GQ10P001001)

Tract 204, Sinajana containing an area of 27,076.28 square meters. Tract 204 is delineated on Drawing No. LCJ67T61-5, which drawing is recorded in the office of the Recorder, Department of Land Management, Government of Guam, under Instrument No. 85493. Said tract is registered land, the last certificate of title being No. 22483, issued to the grantor.

Tract 206, Sinajana, containing an area of 9,682.42 square meters. Tract 206 is delineated on Drawing No. LCJ67T61-7, which drawing is recorded in the office of the Recorder, Department of Land Management, Government of Guam, under Instrument No. 85493. Said tract is registered land, the last Certificate of title being No. 22485, issued to the grantor.

Asan, Guam (26 Units - Referenced on the ACC as Project Number GQ10P001009)

PARCEL 1

LOT NUMBER 3, BLOCK NUMBER 1, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 3, 4, 9, 10 and 11 of Block 1), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS:

| | |
|-------|------------------|
| 14399 | (Lot 3, Blk. 1) |
| 22288 | (Lot 4, Blk. 1) |
| 5096 | (Lot 9, Blk. 1) |
| 5020 | (Lot 10, Blk. 1) |
| 66017 | (Lot 11, Blk. 1) |

PARCEL II

LOT NUMBER 4, BLOCK NUMBER 1, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 4, 5 and 9 of Block 1), MUNICIPALITY OF ASAN, TERRITORY OF GUAM URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS: 22288 (Lot 4, Blk. 1)
12367 (Lot 5, Blk. 1)
5096 (Lot. 9, Blk. 1)

PARCEL III

LOT NUMBER 5, BLOCK NUMBER 1, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 4, 5, 6 of Block 1, Lot 297-1, 292-6NEW, 292-6-R1 and Consolacion Court) MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS:

| | |
|-------|-----------------|
| 22288 | (Lot 4, Blk. 1) |
| 12367 | (Lot 5, Blk. 1) |
| 23774 | (Lot 6, Blk. 1) |
| 26665 | (Lot 292-6New) |
| 61002 | (Lot 292-6-R1) |
| 17225 | (Lot 297-1) |

PARCEL IV

LOT NUMBER 5, BLOCK NUMBER 1, PHASE 1, TRACT NUMBER 2025, (Subdivision of Lots 292-5 and 292-6-R1), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, SUBURBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS: 12594 (Lot 292-5)
61002 (Lot 292-6-RI)

PARCEL V

LOT NUMBER 12, BLOCK NUMBER 6, PHASE I, TRACT NUMBER 2025, (Subdivision of Lot No. 408), MUNICIPALITY, OF ASAN, TERRITORY OF GUAM, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

CERTIFICATE OF TITLE NUMBER: 75931

PARCEL VI

LOT NUMBER 13, BLOCK NUMBER 6, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 411-3 and 408), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

CERTIFICATE OF TITLE NUMBER: 75932

PARCEL VII

LOT NUMBER 1A, BLOCK NUMBER 7, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 412-1-2, 412-1-R12, Lot 1, Block 7, Nino Perdido Dr. and San Carlos Lane), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS: 27777 (Lot 412-1-2)
27779 (Lot 412-1-R12)
64927A (Lot 1, Block 7)

PARCEL VIII

LOT NUMBER 1B, BLOCK NUMBER 7, PHASE I, TRACT NUMBER 2025, (Subdivision of Lot 412-1-2, Lot 1, Block 6, Lot 1, Block 7, and San Carlos Lane), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS: 27777 (Lot 412-1-2)
64286 (Lot 1, Blk. 6)
64297A (Lot 1, Blk. 7)

PARCEL IX

LOT NUMBER 2, BLOCK NUMBER 11, PHASE I, TRACT NUMBER 2025, (Subdivision of Parcel No.2), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of land Management, Government of Guam, under Document Number 336184.

CERTIFICATE OF TITLE NUMBER: PENDING

PARCEL X

LOT NUMBER 3, BLOCK NUMBER 11, PHASE I, TRACT NUMBER 2025, (Subdivision of Parcel No.2), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

CERTIFICATE OF TITLE NUMBER: PENDING.

PARCEL XI

LOT NUMBER 8, BLOCK NUMBER 11, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 412-1-3A, 412-1-7, 412-1-6, 412-1-8, Parcel No.' 2 and 3), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBERS: 590 (Lot 412)
27781 (Lot 412-1-7)
27782 (Lot 412-1-6)
27785 (Lot 412-1-8)

PARCEL XII

LOT NUMBER 11, BLOCK NUMBER 11, PHASE I, TRACT NUMBER 2025, (Subdivision of Lot 412-1-7 and Parcel No.2), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBER: 27781 (Lot-412-1-7)

PARCEL XIII

LOT NUMBER 12, BLOCK NUMBER 11, PHASE I, TRACT NUMBER 2025, (Subdivision of Parcel No.2), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184

CERTIFICATE OF TITLE NUMBER: PENDING

PARCEL XIV

LOT NUMBER 2, BLOCK NUMBER 12, PHASE I, TRACT NUMBER 2025, (Subdivision of Lots 412-1-7, and Parcel 2), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBER: 27781 (Lot 412-1-7)

PARCEL XV

LOT NUMBER 1, BLOCK NUMBER 29, PHASE I, TRACT NUMBER 2025, (Subdivision of Lot No. 289-5-1A and Lot 292-5, 289 (PT), within 60 Easement), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBER: 571 (Lot 289)
12594 (Lot 292-5)

PARCEL XVI

LOT NUMBER 4, BLOCK NUMBER 29, PHASE I, TRACT NUMBER 2025, (Subdivision of Lot 289-5-1A), MUNICIPALITY OF ASAN, TERRITORY OF GUAM, URBAN, as said Lot is marked and designated on Drawing Number JCTA-S-022-81, as L.M. Check No. 066 FY 83, dated February 28, 1983 and recorded April 4, 1983 in the Department of Land Management, Government of Guam, under Document Number 336184.

LAST CERTIFICATE OF TITLE NUMBER: 571 (Lot 289)

DECLARATION OF TRUST

PARTIES TO DOCUMENT:

OWNER: GUAM HOUSING AND URBAN RENEWAL AUTHORITY, a public body
corporate and politic of the Territory of Guam.

ADDRESS: 117 Bien Venida Avenue, Sinajana, Guam 96910

Project Number: GQ001000002

Property Description:

Fee simple property located in the villages Yona, Inarajan and Talofofo.

Declaration of Trust
(Development Grant Projects *)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0075
exp. 10/31/2017

Whereas, (1, see instructions) the Guam Housing and Urban Renewal Authority
(herein called the Public Housing Agency (PHA), a public body corporate and politic, duly created and organized pursuant to and in accordance with the provisions of the laws or ordinances of the (2) Territory of Guam, and the United States of America, Secretary of Housing and Urban Development (herein called HUD) pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437, et seq.) and the Department of Housing and Urban Development Act (5 U.S.C. 624) entered into a certain contract with effective date as of (mm/dd/yyyy) (3) 06/24/1998, (herein called the Annual Contributions Contract) and a certain Development Project Grant Amendment to the Annual Contributions Contract with the effective date as of (mm/dd/yyyy) (4) n/a, providing for a grant to be made by HUD to assist the PHA in financing a lower income housing project; and

Whereas, as of the date of the execution of this Declaration of Trust, the Development Project Grant Amendment and the Annual Contributions Contract cover the lower income housing project located in: (5)

Yona, Inarajan, and Talofoto, Guam

which will provide approximately (6) 163 dwelling units; and which lower income housing project will be known as:
Project No. (7) GQ001000002; and

Whereas, the Project and acquisition of the site or sites thereof will have been financed with grant assistance provided by HUD.

Now Therefore, to assure HUD of the performance by the PHA of the covenants contained in the Development Project Grant Amendment and Annual Contributions Contract, the PHA does hereby acknowledge and declare that it is possessed of and holds in trust for the benefit of HUD, for the purposes hereinafter stated, the following described real property situated in: (8)

Yona, Inarajan, and Talofoto, Guam

To Wit: (Insert legal description for the project.) (9)

See attached Exhibit "A"

and all buildings and fixtures erected or to be erected thereon or appurtenant thereto.

The PHA hereby declares and acknowledges that during the existence of the trust hereby created, HUD has been granted and is possessed of an interest in the above described Project property, To Wit:

The right to require the PHA to remain seized of the title to said property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the Annual Contributions Contract, or any interest in any of the same except that the PHA may (1), to the extent and in the manner provided in the Annual Contributions Contract, (a) lease dwellings and other spaces and facilities in the Project, or (b) convey or otherwise dispose of any real or personal property which is determined to be excess to the needs of the Project, or (c) convey or dedicate land for use as streets, alleys, or other public right-of-way, and grant easements for the establishment, operation, and maintenance of public utilities; or (d) enter into and perform contracts for the sale of dwelling units to members of tenant families, as authorized by the United States Housing Act of 1937, 42 U.S.C. 1437, et seq., or (2), with the approval of HUD, release the Project from the trust hereby created; Provided, That nothing herein contained shall be construed as prohibiting the conveyance of title to or the delivery of possession of the Project to HUD pursuant to the Annual Contributions Contract.

The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the PHA of any real or personal property which is determined to be excess to the needs of the Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public right-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying a dwelling unit, or an interest therein, to a member of a tenant family, or (4) upon any instrument of release made by the PHA of the Project shall be effective to release such property from the trust hereby created.

Upon expiration of the period during which the PHA is obligated to operate the Project in accordance with the Annual Contributions Contract, the trust hereby created shall terminate and no longer be effective.

In Witness Whereof, the PHA by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be hereunto affixed and attested this date (mm/dd/yyyy) _____.

(Seal)

(1, see instructions)

By Michael J. Duenas, Executive Director

Attest See Board Resolution No. _____ Secretary

Date (mm/dd/yyyy) _____

Instructions for Completing form HUD-52190-A, Declaration of Trust (Development Grant Projects)

Promptly after execution of an ACC, HUD Counsel shall prepare and transfer to the Public Housing Agency (PHA) or Indian Housing Authority (IHA), form HUD-52190-A, Declaration of Trust (Development Grant Projects), which shall cover the individual grant project. The letter transmitting the Declaration of Trust shall instruct the PHA or IHA to complete, execute, and record the Declaration of Trust and provide HUD Counsel with a copy as soon as it has been recorded. (Counsel for the PHA or IHA will be responsible for providing the legal description for the individual grant project if HUD Counsel does not have this information in his/her files.)

The following instructions pertain to the use of the blank spaces in form HUD-52190-A:

1. Insert the name of the Public Housing Agency or Indian Housing Authority as it appears in the Development Project Grant Amendment. The term PHA, as used in the Declaration of Trust, also includes IHAs.
2. Insert the name of the general governmental unit, indicating whether it is a State, Commonwealth, or Tribe.
3. Insert the date of the Annual Contributions Contract which has been amended by addition of the Development Project Grant Amendment.
4. Insert the effective date of the Development Project Grant Amendment.
5. Insert the names of the political subdivisions in which the housing project covered by the Grant Amendment is located, e.g., City of _____, County of _____, State of _____, or _____ Reservation.
6. Insert the approximate total number of units included in the individual grant project.
7. Insert the individual grant project number.
8. Same as Item 5.
9. Insert legal description for the project or of each individual unit comprising the project (e.g., single-family detached or semi-detached units operated in accordance with the Turnkey III, Mutual Help, or other Homeownership Program.)

Exhibit "A"

Declaration of Trust

Project No. GQ001000002

Property Description

Yona, Guam (Referenced on the ACC as Project Number GQ10P001002)

(1) Site 1 of 2 Sites (49 Units)

Tract, Lot No. 159-R2-New, Yona, containing an area of 570,565 \pm square feet or 13.10 \pm acres as shown on Map Drawing No: 3001-2 recorded under Document No. 239491. Said parcel is registered land, the last Certificate of Title being, No. 34170, issued to the Grantor.

(2) Site 2 of 2 Sites (50 Units)

Tract 268 (within Yona Urban Renewal Project Area, Guam R-Ia), containing an area of 365,135 \pm square feet or 8.4 \pm acres as shown on the Disposition Map, as recorded: under Document No. 239491. Said parcels are registered land, the last certificates of Title being issued to the Grantor, as follows:

| <u>Block</u> | <u>Lot</u> | <u>Area Sq. Ft.</u> | <u>Certificate of Title</u> |
|--------------|------------|---------------------|-----------------------------|
| 2 | 2 | 5,995 | 37666 |
| 2 | 3 | 6,000 | 37667 |
| 2 | 4 | 6,000 | 37668 |
| 2 | 7 | 6,480 | 37669 |
| 2 | 8 | 7,284 | 37670 |
| 4 | 4 | 7,649 | 40476 |
| 4 | 5 | 7,114 | 37671 |
| 4 | 6 | 6,760 | 40477 |
| 4 | 7 | 7,543 | 40478 |
| 5 | 1 | 8,798 | 37672 |
| 5 | 2 | 7,252 | 37673 |
| 5 | 3 | 7,448 | 37674 |
| 5 | 11 | 7,254 | 37675 |
| 5 | 12 | 6,500 | 37676 |
| 5 | 14 | 6,000 | 37677 |
| 5 | 21 | 8,298 | 37678 |

| <u>Block</u> | <u>Lot</u> | <u>Area Sq. Ft.</u> | <u>Certificate of Title</u> |
|--------------|------------|---------------------|-----------------------------|
| 5 | 22 | 9,163 | 37679 |
| 5 | 23 | 6,239 | 37680 |
| 5 | 24 | 7,630 | 37681 |
| 5 | 25 | 8,788 | 37682 |
| 5 | 26 | 7,200 | 37683 |
| 5 | 30 | 7,321 | 37684 |
| 5 | 31 | 8,412 | 37685 |
| 5 | 32 | 8,975 | 37686 |
| 5 | 35 | 6,803 | 37687 |
| 5 | 36 | 6,500 | 37688 |
| 5 | 37 | 6,171 | 37689 |
| 6 | 2 | 6,568 | 37690 |
| 6 | 3 | 7,726 | 37691 |
| 6 | 5 | 11,562 | 37692 |
| 6 | 6 | 9,789 | 37693 |
| 6 | 7 | 7,252 | 37694 |
| 6 | 8 | 6,557 | 37695 |
| 6 | 9 | 6,687 | 37696 |
| 7 | 2 | 6,500 | 37697 |
| 7 | 3 | 6,500 | 37698 |
| 7 | 6 | 7,059 | 37699 |
| 7 | 7 | 7,150 | 37700 |
| 7 | 8 | 7,150 | 37701 |
| 7 | 12 | 7,761 | 37702 |
| 7 | 13 | 7,739 | 37703 |
| 7 | 14 | 6,827 | 37704 |
| 7 | 18 | 8,361 | 37705 |
| 7 | 19 | 7,189 | 37706 |
| 7 | 20 | 7,189 | 37707 |
| 7 | 21 | 7,189 | 40479 |
| 8 | 13 | 6,625 | 40480 |
| 8 | 14 | 6,500 | 40481 |
| 8 | 18 | 6,000 | 40482 |
| 9 | 17 | 7,678 | 40483 |

Inarajan, Guam (28 Units - GHURA 83 – Referenced on the ACC as Project Number GQ10P001003)

Lot Nos. 354-1 and 354-2, Municipality of Inarajan, described on Drawing No. JCTA-S-07-79; recorded in the Department of Land Management under presentation number 302215.

Talofofo, Guam (28 Units- Referenced on the ACC as Project Number GQ10P001006)

Lot Nos. 402-1, 402-2 and 402-R/W, Municipality of Talofofo, all of which are described on Drawing No. CC-7833T; recorded in the Department of Land Management under presentation number 302249.

Talofofo, Guam (8 Units – GHURA 82- Referenced on the ACC as Project Number GQ10P001005)

Lot No. 402-4, Talofofo, Guam as said lot is marked and designated on Drawing No. 14-77T110, dated; February 2, 1981, and recorded in the Department of Land Management, Government of Guam, on February 3, 1981, under Document No. 318854. Certificate of Title No. 62049

DECLARATION OF TRUST

PARTIES TO DOCUMENT:

OWNER: GUAM HOUSING AND URBAN RENEWAL AUTHORITY, a public body
corporate and politic of the Territory of Guam.

ADDRESS: 117 Bien Venida Avenue, Sinajana, Guam 96910

Project Number: GQ001000003

Property Description:

Fee simple property located in the villages Agat, Merizo and Umatac.

Declaration of Trust
(Development Grant Projects *)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0075
exp. 10/31/2017

Whereas, (1, see instructions) the Guam Housing and Urban Renewal Authority
(herein called the Public Housing Agency (PHA), a public body corporate and politic, duly created and organized pursuant to and in accordance with the provisions of the laws or ordinances of the (2) Territory of Guam, and the United States of America, Secretary of Housing and Urban Development (herein called HUD) pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437, et seq.) and the Department of Housing and Urban Development Act (5 U.S.C. 624) entered into a certain contract with effective date as of (mm/dd/yyyy) (3) 06/24/1998, (herein called the Annual Contributions Contract) and a certain Development Project Grant Amendment to the Annual Contributions Contract with the effective date as of (mm/dd/yyyy) (4) n/a, providing for a grant to be made by HUD to assist the PHA in financing a lower income housing project; and

Whereas, as of the date of the execution of this Declaration of Trust, the Development Project Grant Amendment and the Annual Contributions Contract cover the lower income housing project located in: (5)

Agat, Merizo, and Umatac, Guam

which will provide approximately (6) 195 dwelling units; and which lower income housing project will be known as:
Project No. (7) GQ001000003; and

Whereas, the Project and acquisition of the site or sites thereof will have been financed with grant assistance provided by HUD.

Now Therefore, to assure HUD of the performance by the PHA of the covenants contained in the Development Project Grant Amendment and Annual Contributions Contract, the PHA does hereby acknowledge and declare that it is possessed of and holds in trust for the benefit of HUD, for the purposes hereinafter stated, the following described real property situated in: (8)

Agat, Merizo and Umatac, Guam

To Wit: (Insert legal description for the project.)(9)

See attached Exhibit "A"

and all buildings and fixtures erected or to be erected thereon or appurtenant thereto.

The PHA hereby declares and acknowledges that during the existence of the trust hereby created, HUD has been granted and is possessed of an interest in the above described Project property, To Wit:

The right to require the PHA to remain seized of the title to said property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the Annual Contributions Contract, or any interest in any of the same except that the PHA may (1), to the extent and in the manner provided in the Annual Contributions Contract, (a) lease dwellings and other spaces and facilities in the Project, or (b) convey or otherwise dispose of any real or personal property which is determined to be excess to the needs of the Project, or (c) convey or dedicate land for use as streets, alleys, or other public right-of-way, and grant easements for the establishment, operation, and maintenance of public utilities; or (d) enter into and perform contracts for the sale of dwelling units to members of tenant families, as authorized by the United States Housing Act of 1937, 42 U.S.C. 1437, et seq., or (2), with the approval of HUD, release the Project from the trust hereby created; Provided, That nothing herein contained shall be construed as prohibiting the conveyance of title to or the delivery of possession of the Project to HUD pursuant to the Annual Contributions Contract.

The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the PHA of any real or personal property which is determined to be excess to the needs of the Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public right-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying a dwelling unit, or an interest therein, to a member of a tenant family, or (4) upon any instrument of release made by the PHA of the Project shall be effective to release such property from the trust hereby created.

Upon expiration of the period during which the PHA is obligated to operate the Project in accordance with the Annual Contributions Contract, the trust hereby created shall terminate and no longer be effective.

In Witness Whereof, the PHA by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be hereunto affixed and attested this date (mm/dd/yyyy) _____

(Seal)

(1, see instructions)

By Michael J. Duenas, Executive Director

Attest See Board Resolution No. Secretary

Date (mm/dd/yyyy) _____

Exhibit "A"

Declaration of Trust

Project No. GQ001000003

Property Description

Agat, Guam (99 Units - Referenced on the ACC as Project Number GQ10P001004)

Lot No. 350-3, Agat, Guam, Estate No. 56247, Suburban, as said lot is marked and designated on Drawing No. 133-78, dated: December 7, 1978 and recorded in the Department of Land Management, Government of Guam on January 31, 1979 under presentation number 299444.

Area: 640,488 Square Feet, more or less
Certificate of Title No.: 65024

Lot No. 350-5, Agat, Guam, Estate No. 56246, Suburban, as said lot is marked and designated on Drawing No. RTDC-402-79, dated: May 4, 1979 and recorded in the Department of Land Management, Government of Guam on May 7, 1979 under Document No. 302067.

Area: 307,078 Square Feet, more or less
Certificate of Title No.: 64522

Agat, Guam (32 Units - Elderly - Referenced on the ACC as Project Number GQ10P001005)

Lot No. 471-1 (formerly Lot 266-1), Agat, Guam, as said lot is marked and designated on Drawing No. JCTA-S-25-79, dated: January 30, 1981, and recorded in the Department of Land Management, Government of Guam on February 2, 1981, under Document No. 318839.

Merizo, Guam (28 Units - Referenced on the ACC as Project Number GQ10P001003)

Lot No. 505-2, Merizo, Guam, Suburban, Estate No. 56249, as said lot is marked and designated on Drawing No. JCTA-S-07-79, dated: May 10, 1979 and recorded in the Department of Land Management, Government of Guam on May 11, 1979 under Document No. 302213.

Area: 929 Square Meters, more or less
Certificate of Title No.: 64525

Lot No. 505-3, Merizo, Guam, Suburban, Estate No. 56250, as said lot is marked and designated on Drawing No. JCTA-S-07-79, dated: May 10, 1979 and recorded in the Department of Land Management, Government of Guam on May 11, 1979 under Document No. 302213.

Area: 17,917 Square Meters, more or less
Certificate of Title No.: 64526

Lot No. 505-4, Merizo, Guam, Suburban, Estate No. 56251, as said lot is marked and designated on Drawing No. JCTA-S-07-79, dated: May 10, 1979 and recorded in the Department of Land Management, Government of Guam on May 11, 1979 under Document No. 302213.

Area: 15,817 Square Meters, more or less
Certificate of Title No.: 64527

Merizo, Guam (9 Units - Elderly - Referenced on the ACC as Project Number GQ10P001005)

Lot No. 505-7, Merizo, Guam, as said lot is marked and designated on Drawing No. JCTA-S-18-79, dated: January 30, 1981, and recorded in the Department of Land Management, Government of Guam on February 2, 1981, under Document No. 318839.

Umatac, Guam (27 Units –Referenced on the ACC as Project Number GQ10P001003)

Lot No. 253-1, Umatac, Guam, Suburban, Estate No. 56248 as said lot is marked and designated on Drawing No. JCTA-S-01-79, dated: May 10, 1979 and recorded in the Department of Land Management, Government of Guam on May 11, 1979 under Document No. 302214.

Area: 30,272 Square Meters, more or less

Certificate of Title No.: 64524

DECLARATION OF TRUST

PARTIES TO DOCUMENT:

OWNER: GUAM HOUSING AND URBAN RENEWAL AUTHORITY, a public body
corporate and politic of the Territory of Guam.

ADDRESS: 117 Bien Venida Avenue, Sinajana, Guam 96910

Project Number: GQ001000004

Property Description:

Fee simple property located in the villages of Toto and Dededo, Guam.

Declaration of Trust
(Development Grant Projects *)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0075
exp. 10/31/2017

Whereas, (1, see instructions) the Guam Housing and Urban Renewal Authority
(herein called the Public Housing Agency (PHA), a public body corporate and politic, duly created and organized pursuant to and in accordance with the
provisions of the laws or ordinances of the (2) Territory of Guam, and
the United States of America, Secretary of Housing and Urban Development (herein called HUD) pursuant to the United States Housing Act of 1937
(42 U.S.C. 1437, et seq.) and the Department of Housing and Urban Development Act (5 U.S.C. 624) entered into a certain contract with effective
date as of (mm/dd/yyyy) (3) 06/24/1998, (herein called the Annual Contributions Contract) and a certain Development Project Grant
Amendment to the Annual Contributions Contract with the effective date as of (mm/dd/yyyy) (4) n/a, providing for a grant to be made
by HUD to assist the PHA in financing a lower income housing project; and

Whereas, as of the date of the execution of this Declaration of Trust, the Development Project Grant Amendment and the Annual Contributions Contract
cover the lower income housing project located in: (5)

Toto and Dededo, Guam

which will provide approximately (6) 234 dwelling units; and which lower income housing project will be known as:
Project No. (7) GQ001000004; and

Whereas, the Project and acquisition of the site or sites thereof will have been financed with grant assistance provided by HUD.

Now Therefore, to assure HUD of the performance by the PHA of the covenants contained in the Development Project Grant Amendment and Annual
Contributions Contract, the PHA does hereby acknowledge and declare that it is possessed of and holds in trust for the benefit of HUD, for the purposes
hereinafter stated, the following described real property situated in: (8)

Toto and Dededo, Guam

To Wit: (Insert legal description for the project.)(9)

See attached Exhibit "A"

and all buildings and fixtures erected or to be erected thereon or appurtenant thereto.

The PHA hereby declares and acknowledges that during the existence of the trust hereby created, HUD has been granted and is possessed of an interest
in the above described Project property, To Wit:

The right to require the PHA to remain seized of the title to said property and to refrain from transferring, conveying, assigning, leasing, mortgaging,
pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said
property or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any of the benefits
or contributions granted to it by or pursuant to the Annual Contributions Contract, or any interest in any of the same except that the PHA may (1), to the
extent and in the manner provided in the Annual Contributions Contract, (a) lease dwellings and other spaces and facilities in the Project, or (b) convey or
otherwise dispose of any real or personal property which is determined to be excess to the needs of the Project, or (c) convey or dedicate land for use as streets,
alleys, or other public right-of-way, and grant easements for the establishment, operation, and maintenance of public utilities; or (d) enter into and perform
contracts for the sale of dwelling units to members of tenant families, as authorized by the United States Housing Act of 1937, 42 U.S.C. 1437, et seq., or
(2), with the approval of HUD, release the Project from the trust hereby created; Provided, That nothing herein contained shall be construed as prohibiting
the conveyance of title to or the delivery of possession of the Project to HUD pursuant to the Annual Contributions Contract.

The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the PHA of any real or personal property which
is determined to be excess to the needs of the Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use
as streets, alleys, or other public right-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring
or conveying a dwelling unit, or an interest therein, to a member of a tenant family, or (4) upon any instrument of release made by the PHA of the Project
shall be effective to release such property from the trust hereby created.

Upon expiration of the period during which the PHA is obligated to operate the Project in accordance with the Annual Contributions Contract, the trust
hereby created shall terminate and no longer be effective.

In Witness Whereof, the PHA by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be
hereunto affixed and attested this date (mm/dd/yyyy) _____.

(Seal)

(1, see instructions)

By Michael J. Duenas, Executive Director

Attest See Board Resolution No. _____ Secretary

Date (mm/dd/yyyy) _____

Exhibit "A"

Declaration of Trust

Project No. GQ001000004

Property Description

Toto, Guam (118 Units –Referenced on the ACC as Project Number GQ10P001001)

Tract 205, Sinajana, containing an area of 107,567.50 square meters. Tract 205 is delineated on Drawing No. LCJG7T6I-6, which drawing is recorded in the office of the Recorder, Department of Land Management, Government of Guam, under Instrument No. 85493. Said tract is registered, land, the last certificate of title being No. 22484, issued to the grantor.

Dededo, GHURA 48, Guam (48 Units –Referenced on the ACC as Project Number GQ10P001008)

Lot Number 10155-2, (Formerly Camp Edusa), Dededo, Guam, Suburban, as said lot is marked and designated on Drawing Number MS-322 FY82, as recorded in the Department of Land Management, Government of Guam on April 24, 1984 under Document No. 347136.

Area: 1,045,440 Square Feet / 24.0 Acres

Dededo, GHURA 35, Guam (35 Units –Referenced on the ACC as Project Number GQ10P001007)

Tract No. 170 (PART) (formerly Lot No. 5171 and 10056) Dededo, Guam, as said lot is marked and designated on Drawing No. SDCO 45-1079, dated: January 7, 1980, and recorded in the Department of Land Management, Government of Guam, on February 5, 1982, under Document No. 318905.

Area: 57,025 Square Meters, more or less.

Certificate of Title No.: 8231 and G.C. No. 2305

Dededo, Guam (Elderly - 33 Units –Referenced on the ACC as Project Number GQ10P001005)

Tract No. 170-REM-1A, Dededo, Guam, as said lot is marked and designated on Drawing No. JCTA-S-21-79, dated: January 30, 1981, and recorded in the Department of Land Management, Government of Guam, on February 3, 1981, under Document No. 318854.

Area: 33,072 Square Meters, more or less.

Certificate of Title No.: 8231



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention:

PIH Notice: 2009- 28 (HA)

Public Housing Agencies (PHAs)
Public Housing Office Directors
Regional Directors
Field Office Directors
Regional & Chief Counsels

Issued: August 14, 2009

Expires: August 31, 2010

1. **Subject.** Guidance on requirement for PHAs to record current Declaration of Trusts (DOTs) against all public housing property and guidance on adding and removing public housing units and other property from the Annual Contributions Contract (ACC).
2. **Background.** The requirement for PHAs to ensure a current DOT is recorded against all property that has been acquired, developed, maintained, or assisted with funds from U.S. Housing Act of 1937 (Act) funds is long-standing and well established by the Act, HUD regulations, and the ACC. Notwithstanding this requirement, HUD is increasingly finding that DOTs are not recorded against a great deal of public housing property. In many instances, PHAs may be unaware that the original DOT that was recorded against the property (at acquisition or development) has expired with the repayment and/or forgiveness of development funds. However, if these developments have continued to receive assistance under the Act, federal law requires that PHAs record current DOTs against them. In addition to being an ongoing federal requirement, it is important for PHAs to maintain current DOTs against their public housing properties for other reasons, including: (a) to ensure the accuracy of HUD subsidy calculations and payments under the Operating Fund and Capital Fund; and (b) to expedite HUD's processing and approvals of other federal public housing programs (e.g., Capital Fund Finance Program (CFFP) and Operating Fund Financing Program (OFFP) under Section 30 of the Act, mixed-finance development under 24 CFR§ 941 Subpart F, and dispositions under Section 18 of the Act).
3. **Purpose.** This notice serves to: (1) remind PHAs of their continuing legal responsibility to ensure that a current DOT is recorded against all of their public housing property; (2) require PHAs to be in full compliance with DOT requirements within 12 months of the date of PHAs' next fiscal year beginning with PHAs with fiscal years commencing on October 1, 2009; and (3) provide guidance on adding and removing public housing units and other property from the ACC. For purposes of this notice, all public housing projects, Asset Management Projects (AMPs) and other property that has been acquired, developed, maintained, or assisted with Act funds is referred to as "public housing property."
4. **Declaration of Trust (DOT).**
 - A. **DOT Overview.** The DOT is a legal instrument that grants HUD an interest in public housing property. It provides public notice that the property must be operated in accordance

with all public housing federal requirements, including the requirement not to convey or otherwise encumber the property unless expressly authorized by federal law and/or HUD.

B. Term of DOT. A DOT must remain of record until the latest expiration date required by the funds and/or activities at the property, as follows:

- Acquisition or Development: property acquired or developed with Act funds must be operated as public housing for a 40-year period that begins on the date on which the project becomes available for occupancy, as determined by HUD. (This 40-year period can be extended if PHA receives other funding, such as Capital Funds or Operating Funds).
- Modernization (Capital Fund): property modernized or receiving assistance of Capital Funds must be operated and maintained as public housing for a 20-year period that begins on the latest date on which modernization is complete or assistance is provided with Capital Funds covered by the Capital Fund ACC Amendment (HUD-52840-A).
- Operation (Operating Fund): property that receives Operating Funds must be operated as public housing for a 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided.

C. Form of DOT. The form of DOT that a PHA should execute and record against public housing property depends on the funding from HUD. PHAs must record the appropriate form of DOT for their property. In most instances, the PHA will record the HUD-52190-A for Capital Fund Development Grant Projects or the HUD-52190-B for Capital Fund Modernization Grant Projects). Both of these forms are available at www.hud.gov/hudclips. For mixed-finance development pursuant to 24 CFR§ 941 Subpart F, the form of DOT is known as the Declaration of Restrictive Covenants, and HUD has model forms drafted for this purpose. HUD provides guidance on this requirement and document as part of the mixed-finance development application and approval process.

In limited circumstance and with prior HUD approval, HUD Headquarter's Office permits PHAs to use Operating Funds and Capital Funds under OFFP and CFFP to develop or rehabilitate public housing property. PHAs should consult HUD Headquarter's Office for guidance on this type of financing and the appropriate form of DOT to execute and record against property where such funding is utilized.

In addition, if a PHA has acquired or leased public housing property through the improper use of Act funds (e.g., acquires real property with Operating Funds or Capital Funds without HUD approval), it must immediately record a DOT against the property. In this instance, the DOT must remain in effect until: (1) the improperly used funds are reimbursed to the PHA's Operating Fund and/or Capital Fund; and (2) HUD has approved the disposition of the property. PHAs should consult with their field office and execute and record against property the HUD-52190-A where such improper use of funds has occurred.

D. Requirement for PHAs to be in compliance with DOT requirements. Based on the Act, HUD regulations and ACC, PHAs certify (with their 5-year and/or Annual Plan under 24 CFR Part 903) their compliance with all Federal requirements, including DOT requirements (see

HUD-50077). Accordingly, within 12 months of the date of PHAs' next fiscal year beginning with PHAs with fiscal years commencing on October 1, 2009, PHAs must ensure that current (unexpired) DOTs are recorded against all of their public housing property. HUD considers PHAs to be in full compliance with these requirements when DOTs with legal description are recorded against all of their public housing property. At any time, HUD may conduct selective monitoring to verify that a PHA is in compliance with DOT requirements. In addition, PHAs are also reminded that the requirement to maintain current DOTs against public housing property is auditable under Section 15 of the ACC and HUD plans to incorporate compliance monitoring of this requirement into the CFDA 14.850 of the OMB Circular A-133 Compliance Supplement.

If HUD should determine that a PHA is not in compliance with its PHA Plan requirements and certifications, it may take whatever action it deems necessary and appropriate including but not limited to the following actions: (A) temporarily withhold cash payments pending correction of the deficiency by PHA; (B) disallow all or part of the cost of the activity or action not in compliance; (C) wholly or partly suspend or terminate the current award for the PHA's program; (D) require that some or all of the grant amounts be remitted to HUD; (E) condition a future grant and elect not to provide future grant funds to the PHA until appropriate actions are taken to ensure compliance; (F) withhold further awards for the program or (G) take other remedies that may be legally available.

HUD does not require PHAs to revise and re-record DOTs based on changes to public housing unit counts or based on changes to development or AMP numbers (i.e., information that does not change the real property covered by the DOT). However, PHAs must have an internal method in place to identify the current development numbers for the sets of land and other property against which each DOT is recorded. A development number may correspond to part or all of the property under one or more DOTs.

The introduction of AMP development numbers in 2008 replaced many of the development numbers previously in effect. In cases where none of the building numbers, or only part of the building numbers, were transferred to AMP development numbers, the existing development numbers were retained. There is a "cross-walk" from old to new development numbers identifying the building numbers moved to AMP development numbers at <http://www.hud.gov/offices/pih/systems/pic/dvcrswlk.cfm>. In some cases, Section 18 applications for disposition of the remaining land are made under the existing, pre-AMP, development numbers. Some PHAs have recently gone through the process of ensuring full compliance with DOT requirements in the course of Mixed-Finance, OFFP and CFFP transactions and no additional actions may be necessary. Other PHAs may need to do a complete inventory of all of their properties and, when necessary, take affirmative steps to record current DOTs against their properties. HUD gives PHAs utmost flexibility to determine the scope and process of the review necessary to ensure compliance with DOT requirements. If PHAs use counsel, title companies or other entities to assist them in verifying DOT compliance, HUD encourages PHAs to obtain a certification from the counsel or entity opining to such compliance.

E. Ongoing requirement to monitor DOTs. The requirement for PHAs to maintain current DOTs of record against public housing property is ongoing and PHAs shall closely monitor their public housing property for DOT compliance. PHAs are reminded that HUD will not approve a

PHA's 5-Year or Annual Plan unless the PHA certifies that is in compliance with all federal requirements, including DOT requirements.

F. Release of DOT. The current forms of DOT do not automatically terminate or expire from public records when HUD approves a unit or property for removal from the ACC, therefore after receiving disposition approval from the Department's Special Applications Center (SAC), a PHA must request that their field office release the DOT for the property that was approved. Provided that the release is authorized based on a HUD approval or other headquarters action and with the concurrence of HUD counsel, authorized agents of Public Housing field offices (e.g. Public Housing HUB Director or Program Center Coordinator) may release DOTs. A PHA shall not dispose of a property that has been approved by the SAC for disposition until its HUD field office releases the DOT on that property. In many instances, the acquiring entity of the property will require that a PHA to obtain this release prior to the disposition closing in order to unencumber title on the property. However, even if an acquiring entity is not requesting that HUD release the DOT, after receiving the disposition approval from the SAC, PHAs must request that their field office release the DOT from the property approved for disposition so that the PHA's public housing inventory is accurate for purposes of determining Operating Fund and Capital Fund subsidies.

PHAs and HUD field offices must follow the below steps to cause HUD to release a DOT:

- (1) PHA receives approval from the SAC to dispose of public housing property (under Section 18 of Act);
- (2) PHA requests HUD field office release the DOT on the property approved for disposition (it is the responsibility of the PHA to prepare the form of release for HUD signature);
- (3) HUD field counsel verifies that (a) all of the property for which the PHA is requesting a DOT release has been approved by the SAC for disposition and (b) all contingencies in the HUD approval letter have been satisfied (additional documentation may be required from the PHA, including a copy of the recorded DOT, proposed disposition documents, land survey, warranty deed, and title report);
- (4) HUD field counsel recommends a partial or full release of the DOT (as applicable);
- (5) The HUD Public Housing official in the field office with the delegated authority (e.g., HUB Director or Program Center Coordinator) releases the DOT; and
- (6) PHA records the release in the applicable county land records.

Once HUD releases the DOT, the PHA may dispose of the property. Even if PHAs have obtained a Section 18 disposition approval from the SAC, PHAs shall not actually dispose of any public housing property until they have received a release of the DOT from its HUD field office.

5. Annual Contribution Contract (ACC).

A. ACC Overview. The ACC is the written contract between HUD and a PHA under which HUD agrees to provide funding to a PHA in exchange for the PHA's agreement to provide safe, decent and sanitary housing to eligible families pursuant to all federal requirements. All public housing property (dwelling units, non-dwelling units and buildings, and vacant land) is subject to the ACC and must be classified in the ACC under a specific development number. The current form of the ACC is HUD-53012-A (7/95) and all PHAs should be operating under this form.

B. Removing units and other property from the ACC. A PHA must obtain HUD approval to remove public housing property from its ACC. To request HUD approval to remove public housing property from the ACC pursuant to a demolition/disposition action under Section 18 of the Act, a conversion action under Section 22 or 33 of the Act, or a homeownership action under Section 32 of the Act, the PHA must submit an application (form HUD-52860) to the SAC via PIC. HUD may also approve the removal of property from a PHA's ACC through a HOPE VI revitalization plan (units only, not the underlying land) or another legal authority. PHAs are advised that even if they obtain HUD approval under Section 18 of the Act or a HOPE VI Revitalization Plan to demolish all of the dwelling units and buildings of a public housing project(s) under a specific development number(s), if the underlying land was acquired with Act funds, it is still "under ACC" and must remain documented in PIC and under a DOT until the PHA receives HUD approval to dispose of that land via Section 18 of the Act or another legal authority. Units and other property removed from the ACC are no longer eligible to receive Operating or Capital Funds assistance, but the PHA may be eligible to receive an asset-repositioning fee pursuant to 24 CFR § 990.190 and replacement housing factor (RHF) funds pursuant to 24 CFR § 905.10(i).

C. Adding units and other public housing property to the ACC. A PHA may add new units and/or other property to its ACC in three ways: (1) development of low-income housing using any generally accepted method of traditional development pursuant to 24 CFR § 941.102, including conventional, turnkey, acquisitions, or force account; (2) mixed-finance development pursuant to 24 CFR § 941, Subpart F in which case the PHA must enter into a Mixed-Finance ACC Amendment as part of a mixed-finance transaction; or (3) by receiving Operating Fund only subsidy from HUD for the operation of public housing.¹

D. Unit Count under the ACC. The current form of ACC no longer contains a count of dwelling units. Except for units added as part of mixed-finance development, HUD no longer requires a "unit change" amendment to the ACC to reflect HUD approved removals and additions of dwelling units. Instead, the unit count in PIC is deemed to be the unit count under the PHA's ACC. Therefore, it is essential that PHAs and field

¹ Section 9(g)(3) of the Act provides that a PHA may generally not construct public housing units that exceed the number of public housing units that were in the PHA's inventory as of October 1, 1999.

offices ensure that removals and additions of units in PIC are accurately documented and maintained.

6. PIH Information Center (PIC).

A. PIC Overview. All public housing property (including dwelling units, dwelling units used for non-dwelling purpose, non-dwelling buildings, and land, including vacant land) that is subject to the ACC must be documented in PIC under a development number.

B. Requirement to document ACC changes in PIC. After HUD approves a removal action, the PHA is authorized to consummate the removal action (e.g., sales closing, signing of ground lease, actual demolition). After consummating the action, pursuant to 24 CFR 970.35, the PHA must enter the dates of actual removal into PIC. The field office must then acknowledge the removal of the units and land in PIC. Upon the field office's acknowledgement, the units or other public housing property are officially removed from the ACC and the status of the property changes to "removed from inventory" in PIC. However, as previously stated, the removal of dwelling units from the ACC does not automatically include the removal of the underlying land from the ACC and a separate disposition approval from the SAC may be required in order to remove that land from ACC. Similarly, after HUD approves an addition of public housing units or other property to a PHA's ACC (e.g., by mixed-finance development), the PHA must enter the units in PIC. All property acquired or developed with Capital Funds must also be added to the PHA's ACC via PIC. Development includes the acquisition of units that may be owned by a PHA or that may be owned by an affiliate or instrumentality as defined in Notice PIH 2007-15 (HA), as amended or extended.

C. Termination of public housing property in PIC. Only the SAC is authorized to terminate public housing property in PIC. Neither PHAs nor field offices (including PIC Coaches) are authorized to terminate public housing property in PIC. A PHA or field office may request that the SAC terminate a public housing property in PIC only after all of the following occur: (a) HUD has approved all public housing property for removal; (b) the public housing property has been removed from the ACC as described in Section 6B of this notice and is classified in PIC as "removed from inventory"; and (c) the field office has released the DOT for all of the underlying land at the development. If a field office—through field counsel review—finds that a DOT covers more property than has been approved by HUD for removal, the field office should notify the PHA that the public housing property must remain in PIC under that development number until the PHA either: (1) submits an additional removal application to the SAC for the remaining property under the DOT; or (2) transfers and records the remaining property to another project/AMP in its inventory or to a new development number. When land is transferred to a different development number, the field office—through field counsel review—may require the PHA to enter into a new DOT with a revised legal description. In cases where PHAs redevelop buildings and units, commonly the method of redevelopment requires disposition of the underlying land under Section 18. But, in situations where a PHA is redeveloping buildings and units under a new development number, but is retaining ownership of part or all of the land during and after the redevelopment, it is not necessary for the PHA to apply for disposition of the land it maintains ownership of throughout the process. The field office may then recommend that the SAC terminate the old development number in PIC based only on the demolition of the buildings and units. However, prior to terminating the old development number in PIC, the SAC

may request evidence from the field office that all of the property under the DOT for the old development number has been transferred to new or existing development numbers.

D. Other PIC requirements. Annually, PHAs must update property records and use restrictions in PIC when (a) HUD 52840-A Capital Fund Amendments to the ACC are executed and (b) when Capital Funds are used to develop public housing.

7. **Paperwork Reduction Act.** The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 2501-3520). The OMB control numbers are 2577-0075 and 2577-0226. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.
8. **Technical Assistance.** For technical assistance on DOTs, PHAs should contact their field office. For technical assistance on Section 18 disposition or other inventory removals, PHAs should contact the SAC.

/s/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing



**U. S. Department of Housing and Urban Development
Public and Indian Housing**

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|---------------------------------|--------------------------|--------------------|
| Special Attention: | Notice: | PIH -2010- 44 (HA) |
| Public Housing Agencies (PHAs) | Issued: | October 20, 2010 |
| Public Housing Office Directors | Expires: | October 31, 2011 |
| Regional Directors | | |
| Field Office Directors | | |
| Regional & Chief Counsels | | |
| | <u>Cross References:</u> | |
| | PIH Notice 2009-28 (HA) | |

- 1. Subject.** Revision and Extension of Guidance on requirement for PHAs to record current Declaration of Trusts (DOTs) against all public housing property and guidance on adding and removing public housing units and other property from the Annual Contributions Contract (ACC).
- 2. Background.** The requirement for PHAs to ensure a current DOT is recorded against all property that has been acquired, developed, maintained, or assisted with funds from U.S. Housing Act of 1937 (Act) funds is long-standing and well established by the Act, HUD regulations, and the ACC. Notwithstanding this requirement, HUD is increasingly finding that DOTs are not recorded against a great deal of public housing property. In many instances, PHAs may be unaware that the original DOT that was recorded against the property (at acquisition or development) has expired with the repayment and/or forgiveness of development funds. However, if these developments have continued to receive assistance under the Act, federal law requires that PHAs record current DOTs against them.

In addition to being an ongoing federal requirement, it is important for PHAs to maintain current DOTs against their public housing properties for other reasons, including: (a) to ensure the accuracy of HUD subsidy calculations and payments under the Operating Fund and Capital Fund; and (b) to expedite HUD's processing and approvals of other federal public housing programs (e.g., Capital Fund Finance Program (CFFP) and Operating Fund Financing Program (OFFP) under Section 30 of the Act, mixed-finance development under 24 CFR§ 941 Subpart F, and dispositions under Section 18 of the Act).

- 3. Purpose.** This notice serves to: (1) remind PHAs of their continuing legal responsibility to ensure that a current DOT is recorded against all of their public housing property; (2) remind PHAs that they are required to be in full compliance with DOT requirements; and (3) provide guidance on adding and removing public housing units and other property from the ACC. For purposes of this notice, all public housing projects, Asset Management Projects (AMPs) and other property that has been acquired, developed, maintained, or assisted with Act funds is

referred to as “public housing property.” This Notice makes minor clarification changes to Notice PIH 2009-28 (HA).

4. Declaration of Trust (DOT).

A. DOT Overview. The DOT is a legal instrument that grants HUD an interest in public housing property. It provides public notice that the property must be operated in accordance with all public housing federal requirements, including the requirement not to convey or otherwise encumber the property unless expressly authorized by federal law and/or HUD.¹

B. Term of DOT. A DOT must remain of record until the latest expiration date required by the funds and/or activities at the property, as follows:

- Acquisition or Development: property acquired or developed with Act funds must be operated as public housing for a 40-year period that begins on the date on which the project becomes available for occupancy, as determined by HUD. (This 40-year period can be extended if PHA receives other funding, such as Capital Funds or Operating Funds).
- Modernization (Capital Fund): property modernized or receiving assistance of Capital Funds must be operated and maintained as public housing for a 20-year period that begins on the latest date on which modernization is complete or assistance is provided with Capital Funds covered by the Capital Fund ACC Amendment (HUD-52840-A).
- Operation (Operating Fund): property that receives Operating Funds must be operated as public housing for a 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided.

C. Form of DOT. The form of DOT that a PHA should execute and record against public housing property depends on the funding from HUD. PHAs must record the appropriate form of DOT for their property. In most instances, the PHA will record the HUD-52190-A for Development Grant Projects or the HUD-52190-B for Public Housing Modernization Grant Projects. Both of these forms are available at www.hud.gov/hudclips. For mixed-finance development pursuant to 24 CFR§ 941 Subpart F, the form of DOT is known as the Declaration of Restrictive Covenants, and HUD has model forms drafted for this purpose. HUD provides guidance on this requirement and document as part of the mixed-finance development application and approval process.

In limited circumstance and with prior written approval from the Deputy Assistant Secretary of the Office of Public Housing Investments (OPHI), HUD permits PHAs to use Operating Funds and Capital Funds under OFFP and CFFP to develop or rehabilitate public housing property. PHAs should consult OPHI in HUD Headquarters for guidance on this type of financing and

¹ HUD considers the DOT to be a Vital Record for purposes of its Continuity of Operations (COOP), HUD’s internal efforts to ensure that a viable capability exists to continue essential functions across a wide range of potential emergencies.

the appropriate form of DOT to execute and record against property where such funding is utilized.

In addition, if a PHA has acquired or leased public housing property through the improper use of Act funds (e.g., acquires real property with Operating Funds or Capital Funds without HUD approval), it must immediately record a DOT against the property. In this instance, the DOT must remain in effect until: (1) the improperly used funds are reimbursed to the PHA's Operating Fund and/or Capital Fund; and (2) HUD has approved the disposition of the property. PHAs should consult with their field office and execute and record against property the HUD-52190-A where such improper use of funds has occurred.

D. Requirement for PHAs to be in compliance with DOT requirements. Based on the Act, HUD regulations and ACC, PHAs certify (with their 5-year and/or Annual Plan under 24 CFR Part 903) their compliance with all Federal requirements, including DOT requirements (see HUD-50077). Pursuant to PIH Notice 2009-28 (HA), PHAs were required to ensure that current (unexpired) DOTs were recorded against all of their public housing property within 12 months of the date of PHA's next fiscal year beginning with PHAs with fiscal years commencing on October 1, 2009. All PHAs should now be in full compliance with this requirement. HUD considers PHAs to be in full compliance with these requirements when DOTs with legal description are recorded against all of their public housing property. At any time, HUD may conduct selective monitoring to verify that a PHA is in compliance with DOT requirements. In addition, PHAs are also reminded that the requirement to maintain current DOTs against public housing property is auditable under Section 15 of the ACC and is incorporated into the compliance monitoring requirement CFDA 14.850 of the OMB Circular A-133 Compliance Supplement.

If HUD should determine that a PHA is not in compliance with its PHA Plan requirements and certifications, it may take whatever action it deems necessary and appropriate including but not limited to the following actions: (A) temporarily withhold cash payments pending correction of the deficiency by PHA; (B) disallow all or part of the cost of the activity or action not in compliance; (C) wholly or partly suspend or terminate the current award for the PHA's program; (D) require that some or all of the grant amounts be remitted to HUD; (E) condition a future grant and elect not to provide future grant funds to the PHA until appropriate actions are taken to ensure compliance; (F) withhold further awards for the program or (G) take other remedies that may be legally available.

HUD does not require PHAs to revise and re-record DOTs based on changes to public housing unit counts or based on changes to development or AMP numbers (i.e., information that does not change the real property covered by the DOT). However, PHAs should have an internal method in place to identify the current development numbers for the sets of land and other property against which each DOT is recorded. A development number may correspond to part or all of the property under one or more DOTs.

The introduction of AMP development numbers in 2008 replaced many of the development numbers previously in effect. In cases where none of the building numbers, or only part of the building numbers, were transferred to AMP development numbers, the existing development numbers were retained. There is a "cross-walk" from old to new development numbers identifying the building numbers moved to AMP development numbers at

<http://www.hud.gov/offices/pih/systems/pic/dvcrswlk.cfm>. In some cases, Section 18 applications for disposition of the remaining land are made under the existing, pre-AMP, development numbers. Some PHAs have recently gone through the process of ensuring full compliance with DOT requirements in the course of Mixed-Finance, OFFP and CFFP transactions and no additional actions may be necessary. Other PHAs may need to do a complete inventory of all of their properties and, when necessary, take affirmative steps to record current DOTs against their properties. HUD gives PHAs utmost flexibility to determine the scope and process of the review necessary to ensure compliance with DOT requirements. If PHAs use counsel, title companies or other entities to assist them in verifying DOT compliance, HUD encourages PHAs to obtain a certification from the counsel or entity opining to such compliance.

E. Ongoing requirement to monitor DOTs. The requirement for PHAs to maintain current DOTs of record against public housing property is ongoing and PHAs shall closely monitor their public housing property for DOT compliance. PHAs are reminded that HUD will not approve a PHA's 5-Year or Annual Plan unless the PHA certifies that is in compliance with all federal requirements, including DOT requirements.

F. Release of DOT. The current forms of DOT do not automatically terminate or expire from public records when HUD approves a unit or property for removal from the ACC, therefore after receiving disposition approval from the Department's Special Applications Center (SAC), a PHA must request that their field office release the DOT for the property that was approved. Provided that the release is authorized based on a HUD approval or other headquarters action and with the concurrence of HUD counsel, authorized agents of Public Housing field offices (e.g. Public Housing HUB Director or Program Center Coordinator) may release DOTs. A PHA shall not dispose of a property that has been approved by the SAC for disposition until its HUD field office releases the DOT on that property. In many instances, the acquiring entity of the property will require that a PHA to obtain this release prior to the disposition closing in order to unencumber title on the property. However, even if an acquiring entity is not requesting that HUD release the DOT, after receiving the disposition approval from the SAC, PHAs must request that their field office release the DOT from the property approved for disposition so that the PHA's public housing inventory is accurate for purposes of determining Operating Fund and Capital Fund subsidies.

PHAs and HUD field offices must follow the below steps to cause HUD to release a DOT:

- (1) PHA receives approval from the SAC to dispose of public housing property (under Section 18 of Act);
- (2) PHA requests HUD field office release the DOT on the property approved for disposition (it is the responsibility of the PHA to prepare the form of release for HUD signature);
- (3) HUD field counsel verifies that (a) all of the property for which the PHA is requesting a DOT release has been approved by the SAC for disposition and (b) all contingencies in the HUD approval letter have been satisfied (additional documentation may be required from the PHA, including a copy of the recorded DOT, proposed disposition documents, land survey, warranty deed, and title report);
- (4) HUD field counsel recommends a partial or full release of the DOT (as applicable);
- (5) The HUD Public Housing official in the field office with the delegated authority (e.g., HUB Director or Program Center Coordinator) releases the DOT; and

- (6) PHA records the release in the applicable county land records.

Once HUD releases the DOT, the PHA may dispose of the property. Even if PHAs have obtained a Section 18 disposition approval from the SAC, PHAs shall not actually dispose of any public housing property until they have received a release of the DOT from its HUD field office.

5. Annual Contribution Contract (ACC).

A. ACC Overview. The ACC is the written contract between HUD and a PHA under which HUD agrees to provide funding to a PHA in exchange for the PHA's agreement to provide safe, decent and sanitary housing to eligible families pursuant to all federal requirements. All public housing property (dwelling units, non-dwelling units and buildings, and vacant land) is subject to the ACC and must be classified in the ACC under a specific development number. The current form of the ACC is HUD-53012-A (7/95) and all PHAs should be operating under this form.

B. Removing units and other property from the ACC. A PHA must obtain HUD approval to remove public housing property from its ACC. To request HUD approval to remove public housing property from the ACC pursuant to a demolition/disposition action under Section 18 of the Act, a conversion action under Section 22 or 33 of the Act, or a homeownership action under Section 32 of the Act, the PHA must submit an application (form HUD-52860) to the SAC via PIC. HUD may also approve the removal of property from a PHA's ACC through a HOPE VI revitalization plan (units only, not the underlying land) or another legal authority. PHAs are advised that even if they obtain HUD approval under Section 18 of the Act or a HOPE VI Revitalization Plan to demolish all of the dwelling units and buildings of a public housing project(s) under a specific development number(s), if the underlying land was acquired with Act funds, it is still "under ACC" and must remain documented in the PIH Information Center (PIC) and under a DOT until the PHA receives HUD approval to dispose of that land via Section 18 of the Act or another legal authority. Units and other property removed from the ACC are no longer eligible to receive Operating or Capital Funds assistance, but the PHA may be eligible to receive an asset-repositioning fee pursuant to 24 CFR § 990.190 and replacement housing factor (RHF) funds pursuant to 24 CFR § 905.10(i).

C. Adding units and other public housing property to the ACC. A PHA may add new units and/or other property to its ACC in three ways: (1) development of low-income housing using any generally accepted method of traditional development pursuant to 24 CFR § 941.102, including conventional, turnkey, acquisitions, or force account; (2) mixed-finance development pursuant to 24 CFR § 941, Subpart F in which case the PHA must enter into a Mixed-Finance ACC Amendment as part of a mixed-finance transaction; or (3) by receiving Operating Fund only subsidy from HUD for the operation of public housing.²

² Section 9(g)(3) of the Act provides that a PHA may generally not construct public housing units that exceed the number of public housing units that were in the PHA's inventory as of October 1, 1999.

D. Unit Count under the ACC. The current form of ACC no longer contains a count of dwelling units. Except for units added as part of mixed-finance development, HUD no longer requires a “unit change” amendment to the ACC to reflect HUD approved removals and additions of dwelling units. Instead, the unit count in PIC is deemed to be the unit count under the PHA’s ACC. Therefore, it is essential that PHAs and field offices ensure that removals and additions of units in PIC are accurately documented and maintained.

6. PIH Information Center (PIC).

A. PIC Overview. All public housing property (including dwelling units, dwelling units used for non-dwelling purpose, non-dwelling buildings, and land, including vacant land) that is subject to the ACC must be documented in PIC under a development number.

B. Requirement to document ACC changes in PIC. After HUD approves a removal action, the PHA is authorized to consummate the removal action (e.g., sales closing, signing of ground lease, actual demolition). After consummating the action, pursuant to 24 CFR § 970.35, the PHA must enter the dates of actual removal into PIC. The field office must then acknowledge the removal of the units and land in PIC. Upon the field office’s acknowledgement, the units or other public housing property are officially removed from the ACC and the status of the property changes to “removed from inventory” in PIC. However, as previously stated, the removal of dwelling units from the ACC does not automatically include the removal of the underlying land from the ACC and a separate disposition approval from the SAC may be required in order to remove that land from ACC. Similarly, after HUD approves an addition of public housing units or other property to a PHA’s ACC (e.g., by mixed-finance development), the PHA must enter the units in PIC. All property acquired or developed with Capital Funds must also be added to the PHA’s ACC via PIC. Development includes the acquisition of units that may be owned by a PHA or that may be owned by an affiliate or instrumentality as defined in Notice PIH 2007-15 (HA), as amended or extended.

C. Termination of public housing property in PIC. Only the SAC is authorized to terminate public housing property in PIC. Neither PHAs nor field offices (including PIC Coaches) are authorized to terminate public housing property in PIC. A PHA or field office may request that the SAC terminate a public housing property in PIC only after all of the following occur: (a) HUD has approved all public housing property for removal; (b) the public housing property has been removed from the ACC as described in Section 6B of this notice and is classified in PIC as “removed from inventory”; and (c) the field office has released the DOT for all of the underlying land at the development. If a field office—through field counsel review—finds that a DOT covers more property than has been approved by HUD for removal, the field office should notify the PHA that the public housing property must remain in PIC under that development number until the PHA either: (1) submits an additional removal application to the SAC for the remaining property under the DOT; or (2) transfers and records the remaining property to another project/AMP in its inventory or to a new development number. When land is transferred to a different development number, the field office—through field counsel review—may require the PHA to enter into a new DOT with a revised legal description. In cases where PHAs redevelop buildings and units, commonly the method of redevelopment requires disposition of the underlying land under Section 18. But, in situations where a PHA is redeveloping buildings and units under a new development number, but is retaining ownership of part or all of the land during and after the redevelopment, it is not necessary for the PHA to apply for disposition of the

land it maintains ownership of throughout the process. The field office may then recommend that the SAC terminate the old development number in PIC based only on the demolition of the buildings and units. However, prior to terminating the old development number in PIC, the SAC may request evidence from the field office that all of the property under the DOT for the old development number has been transferred to new or existing development numbers.

D. Other PIC requirements. Annually, PHAs must update property records and use restrictions in PIC when (a) HUD 52840-A Capital Fund Amendments to the ACC are executed and (b) when Capital Funds are used to develop public housing.

7. **Paperwork Reduction Act.** The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 2501-3520). The OMB control numbers are 2577-0075 and 2577-0226. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.
8. **Technical Assistance.** For technical assistance on DOTs, PHAs should contact their field office. For technical assistance on Section 18 disposition or other inventory removals, PHAs should contact the SAC.

/s/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing



**U. S. Department of Housing and Urban Development
Public and Indian Housing**

Special Attention of:
Public Housing Agencies (PHAs)
Public Housing Directors

NOTICE PIH 2011-61 (HA)

Issued: November 1, 2011

This notice remains in effect until amended,
revoked or superseded.

Cross References: PIH 2009-28 (HA)
PIH 2010-44 (HA)

Subject: Extension—Guidance on requirement for PHAs to record current Declaration of Trusts (DOTs) against all public housing property and guidance on adding and removing public housing units and other property from the Annual Contributions Contract (ACC).

1. **Extension.** This notice indefinitely extends PIH 2009-28, same subject, previously extended for one year by PIH 2010-44.
2. **Purpose.** The notice provides guidance to PHAs on DOT requirements.

/s/

Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing

GUAM HOUSING AND URBAN RENEWAL AUTHORITY
Aturidat Ginima' Yan Rinueban Suidat Guahan
BOARD OF COMMISSIONERS
RESOLUTION NO. FY18-006

Moved By: CARL DOMINGUEZ **Seconded By:** JOSEPH LEON GUERRERO

RESOLUTION APPROVING THE SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION FOR FISCAL YEAR 2017

WHEREAS, the Section 8 Management Assessment Program is a management tool developed and designed by the U.S. Department of Housing and Urban Development for the purpose of identifying and assessing the Authority's management capabilities and to assist in the improvement of the Authority's program operations; and

WHEREAS, 24 CFR 985.101(a) of the Code of Federal Regulations requires Public Housing Agencies to submit the Section 8 Management Assessment Program Certification form within 60 days after the end of its fiscal year; and

WHEREAS, 24 CFR 985.101(a) requires PHA's Section 8 Management Assessment Program certification to be approved by the agency's Board of Commissioners; and therefore be it

RESOLVED, that the Guam Housing and Urban Renewal Board of Commissioners approves the Section 8 Management Assessment Program Certification for fiscal year ending 2017.

IN REGULAR BOARD MEETING, SINAJANA, GUAM - November 8, 2017

PASSED BY THE FOLLOWING VOTES:

AYES: George Santos, Thomas Borja, Carl Dominguez, George Pereda, & Joseph Leon Guerrero

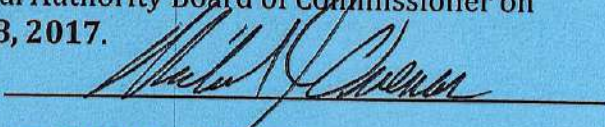
NAYS: NONE

ABSENT: Eliza Paulino

ABSTAINED: NONE

(S E A L)

I hereby certify that the foregoing is full, true and correct copy of the Resolution duly adopted by the Guam Housing and Urban Renewal Authority Board of Commissioner on **November 08, 2017.**


MICHAEL J. DUENAS
Secretary/Executive Director

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

November 6, 2017

MEMORANDUM

TO: Board of Commissioners
VIA: Michael J. Duenas, Executive Director
FROM: Norma San Nicolas, Section 8 Administrator



SUBJECT: SEMAP Certification

Please find attached form HUD-52648, the Section 8 Management Assessment Program (SEMAP) Certification for fiscal year 2017. The Executive Director is required to certify and submit the Authority's SEMAP Certification via Internet, sixty days after the end of the fiscal year in accordance with 24 CFR 985.101(a).

A summary of the SEMAP Performance indicators is attached for your review. The summary is the result of the self-assessment of the program for the fiscal year 2017. Please take note that performance indicators 1 through 8 is a self-assessment based on sampling of tenant files. Although Performance indicators 9 through 14 will be based on GHURA's submission of data through HUD's Multifamily Tenant Characteristics System Program; based on our sampling, self-assessment and on MTCS reports; we've assigned a raw score. Of course, HUD will verify and provide GHURA with a final score.

If you should have any questions regarding the 2016 SEMAP certification results, please do not hesitate to consult me.

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY
SEMAP SUMMARY REPORT FOR FY2017**

| # | INDICATOR | REQUIRED HUD STANDARD | STANDARD | | PERFORMANCE |
|---|---|---|-----------------|---------------|--|
| | | | Possible Points | Points earned | |
| 1 | Selection from the Wait List (PHA certified) | <ul style="list-style-type: none"> Written Policy in Admin Plan 98% sampled comply to HUD standard | 15 | 15 | <p>This indicator is rated based on two criteria: (1) does the PHA have a written policy and (2) based on QC sample of those admitted into the program and those reaching the top of the list, at least 98% met the criteria which determined their place on the waiting list.</p> <p style="text-align: center;"><u>Quality Control Performed:</u></p> <p>Sample size (of those admitted) = 341 (total admitted in 2017) Total HUD required QC = 11 Total QC performed = 99</p> <p>Sample size (of those reaching the top of WL) = 259 Total HUD required QC = 10 Total QC performed = 60 QC Results = all selections and admissions are in accordance with policy.</p> |
| 2 | Reasonable Rent (PHA certified) | <ul style="list-style-type: none"> Written policy in Admin Plan 98% sampled comply to HUD standard | 20 15 0 | 20 | <p>This indicator is rated based two criteria (1) does the PHA have a reasonable rent method to determine if asking rent is reasonable; (2) at least 98% of units sample meet the Rent Reasonableness criteria.</p> <p style="text-align: center;"><u>Quality Control Performed:</u></p> <p>Sample size = 2,404 Total HUD required QC = 42 Total QC performed = 151 QC Results = all rent reasonable determination are in accordance with policy.</p> |
| 3 | Determination of adjusted income (PHA certified) | <ul style="list-style-type: none"> Third party verifications Properly calculates allowances/utility allowance to determine income | 20 15 0 | 20 | <p>This indicator is rated based on whether at least 90% of the families sampled, adjusted income was correctly determined.</p> <p style="text-align: center;"><u>Quality Control Performed:</u></p> <p>Sample size = 3,197 Total HUD required QC = 46 Total QC performed = 166 QC Results = 98% of families adjusted income have been determined correctly (4 of the 166 sampled have calculation errors).</p> |

| # | INDICATOR | REQUIRED HUD STANDARD | STANDARD | | PERFORMANCE |
|---|--|---|----------|----|--|
| 4 | Utility Allowance (PHA certified) | <ul style="list-style-type: none"> PHA reviewed utility rate within last 12 months and revised utility allowance if rate changed more than 10% | 5 | 5 | <p>This indicator is rated based on whether the PHA maintains an up-to-date utility allowance schedule.</p> <p><u>Quality Control Performed:</u> Last approved UA schedule = November 30, 2016 for FY 2017</p> |
| 5 | HQS Quality control (PHA certified) | <ul style="list-style-type: none"> Performed QC inspections from sample drawn for recently completed inspections, cross section of neighborhood, and work of cross section of inspectors | 5 | 5 | <p>This indicator is rated based on the number of quality control inspections were performed on units inspected within 3 months of the last HQS inspection performed.</p> <p>This indicator is rated based on whether 98% of inspections sampled were corrected within 24 hours or 30 days and those not corrected, the PHA took appropriate action (abatement or termination).</p> <p><u>Quality Control Performed:</u> Sample size = 2,921 Total HUD required QC = 44 Total QC performed = 138</p> |
| 6 | HQS Enforcement (PHA certified) | QC sample of HQS failed Inspections | 10 | 10 | <p>This indicator is rated based on whether 98% of inspection sampled were corrected within 24 hours or 30 days and those not corrected, the PHA took appropriate action (abatement or termination).</p> <p><u>Quality Control Performed:</u> Sample size = 1103 (failed inspections) Total HUD required QC = 21 Total QC performed = 117 QC Results = all 1103 failed inspections were enforced in a timely manner or the PHA took appropriate action of either abatement or termination).</p> |
| 7 | Expanding Housing Opportunities | For Metro areas | N/A | | Not applicable to Guam |
| 8 | Payment Standards (PHA certified) | Updated Payment Standards | 5 | 5 | <p>This indicator is based on whether the PHA has adopted a payment standard based on the updated FMR and is set within 90 to 110% of the FMR.</p> <p><u>Quality Control Performed:</u> Last PS approved = November 30, 2016 for FY 2017.</p> |

| # | INDICATOR | REQUIRED HUD STANDARD | STANDARD | PERFORMANCE |
|----|---------------------------------|---|---------------|---|
| 9 | Annual Re-exam | <ul style="list-style-type: none"> Percent of all re-examinations not more than 2 months overdue | 10 5 | MTCS verified by HUD |
| 10 | Correct Tenant Rent Calculation | | 5 | MTCS verified |
| 11 | Pre-contract HQS | Inspections performed before occupancy | 5 | MTCS verified |
| 12 | Annual HQS | HQS inspections performed within 365 days | 5 | MTCS verified |
| 13 | Lease-up | Max utilization of budget; or max utilization of baseline | 20 15 0 | MTCS verified FY2017 Budget = \$21,515,430 (HAP Funds received from HUD from Jan – Sept 2017) Utilization = \$21,191,061 (98%) (To date) |
| 14 | FSS | Number of participants; and escrow accounts | 10 5 | MTCS verified/self-certification: Mandatory slots=85 <ul style="list-style-type: none"> Requirement #1- 80% or more of mandatory slots filled = (94% filled plus 30% with escrow balance) – 10 points ; or Requirement #2 – 60% or more of mandatory slots filled and 79% with escrow balance – 8 points; or Requirement #3- 80% or more of mandatory slots filled, but fewer than 30% with escrow balance – 5 points; or Requirement #4 –fewer than 60% of mandatory slots filled, and 30% or more with escrow balances – 5%; or Requirement #5 – 60 to 79% of mandatory slots filled QC Result= 127 current participants; 59 with escrow accounts; 4 graduates |
| | | TOTAL POINTS | 135 | 135 |

HUD SAMPLE TABLE

| UNIVERSE | Minimum number of files to be sampled |
|-----------|---|
| 5 or less | 5 |
| 51-600 | 5 plus 1 for each 50 (or part of 50) over 50 |
| 601-2000 | 16 plus 1 for each 100 (or part of 100) over 100 |
| Over 2000 | 30 plus 1 for each 200 (or part of 200) over |

Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0215
(exp. 11/30/2016)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions Respond to this certification form using the PHA's actual data for the fiscal year just ended.

| PHA Name | For PHA FY Ending (mm/dd/yyyy) | Submission Date (mm/dd/yyyy) |
|--|--------------------------------|------------------------------|
| Guam Housing and Urban Renewal Authority | 09/30/2017 | |

Check here if the PHA expends less than \$300,000 a year in Federal awards ☐

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

- Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes ☒ No ☐

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes ☒ No ☐
- Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes ☒ No ☐

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response ☒ At least 98% of units sampled ☐ 80 to 97% of units sampled ☐ Less than 80% of units sampled
- Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response ☒ At least 90% of files sampled ☐ 80 to 89% of files sampled ☐ Less than 80% of files sampled
- Utility Allowance Schedule. (24 CFR 982.517)

The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes ☒ No ☐
- HQS Quality Control Inspections. (24 CFR 982.405(b))

A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes ☒ No ☐
- HQS Enforcement. (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance for payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response ☒ At least 98% of cases sampled ☐ Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 982.301(b)(4) and (b)(12)).
Applies only to PHAs with jurisdiction in metropolitan FMR areas.

Check here if not applicable ☒

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes ☐ No ☐

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes ☐ No ☐

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes ☐ No ☐

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes ☐ No ☐

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes ☐ No ☐

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes ☐ No ☐

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes ☒ No ☐

Enter current FMRs and payment standards (PS)

0-BR FMR 681

1-BR FMR 734

2-BR FMR 983

3-BR FMR 1433

4-BR FMR 1716

PS 715

PS 771

PS 1032

PS 1505

PS 1802

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response Yes ☒ No ☐

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response Yes ☒ No ☐

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes ☒ No ☐

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response Yes ☒ No ☐

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response Yes ☒ No ☐

- 14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)
Applies only to PHAs required to administer an FSS program.

Check here if not applicable ☐

PHA Response

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

85

or, Number of mandatory FSS slots under HUD-approved exception

0

b. Number of FSS families currently enrolled

127

c. Portability: If you are the **initial** PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

0

Percent of FSS slots filled (b + c divided by a)

1.50

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable ☐

PHA Response

Yes



No



59

Portability: If you are the **initial** PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;

or

- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response

Yes



No



If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

MICHAEL J. DUENAS

Date (mm/dd/yyyy)

NOV 08 2017

Chairperson, Board of Commissioners, signature

GEORGE A. SANTOS

Date (mm/dd/yyyy)

NOV 08 2017

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) _____

PHA Name _____

Principal Operating Area of PHA _____
(The geographic entity for which the Census tabulates data)

Special Instructions for State or regional PHAs Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area _____

Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) _____ a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- _____ b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- _____ c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).

Is line c 50% or more? Yes ☐ No ☐

- 2) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- _____ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes ☐ No ☐

- 3) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- _____ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes ☐ No ☐

If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.

See instructions above concerning bonus points for State and regional PHAs.

April 19, 2017

To The Board of Commissioners
 Guam Housing and Urban Renewal Authority

We have performed an audit of the financial statements of Guam Housing and Urban Renewal Authority (the Authority) as of and for the year ended September 30, 2016 in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued my report thereon dated April 19, 2017.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Authority is responsible.

Our Responsibility under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards

Our responsibility under auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described in our engagement letter dated October 28, 2016. As described in that letter, the objective of a financial statement audit conducted in accordance with the aforementioned standards is:

- To express an opinion on the fairness of the Authority's financial statements and the accompanying supplementary information, in relation to the financial statements as a whole, for the year ended September 30, 2016 (the financial statements), in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects, and to perform specified procedures on the required supplementary information for the year ended September 30, 2016;
- To express an opinion on whether the supplementary information that accompanies the financial statements, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the financial statements taken as a whole;
- To report on the Authority's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended September 30, 2016 based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*; and
- To report on the Authority's compliance with requirements applicable to each major federal program and on internal control over compliance in accordance with the *U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Our Responsibility under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards, continued

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements have been prepared by management with the oversight of the Board of Commissioners are fairly presented, in all material respects, in conformity with generally accepted accounting principles. The audit of financial statements does not relieve management or the Board of Commissioners of their responsibilities.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion on the effectiveness of the Authority's internal control over financial reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

We also considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance. Our audit does not, however, provide a legal determination of the Authority's compliance with those requirements.

Qualitative Aspects of the Authority's Significant Accounting Practices

We discussed our judgements about the quality, not just the acceptability, of the Authority's accounting principles as applied in its financial reporting, including consistency of the accounting principles and their application and the clarity and completeness of the financial statements and related note disclosures.

Significant Accounting Policies

Management of the Authority has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* which addresses accounting and financial reporting issues related to fair value measurements and guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

Significant Accounting Policies, continued

This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement requires additional analysis of fair value if the volume or level of activity for an asset or liability has significantly decreased. It also requires identification of transactions that are not orderly. This Statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. Management has not yet determined the effect of implementation of this Statement will have on the Authority's financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Net Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes accounting and financial reporting standards for pensions that do not meet the requirements set forth in Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*, and makes some modifications to GASB Statement No. 67 and 68. The Provisions that effect pensions not within the scope of GASB Statement No. 67 and 68 will be effective for fiscal year beginning after June 15, 2015.

Management has not yet determined the effect of implementation this Statement will have on the Authority's financial statements. In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent-Multiple-Employer Plans*, and addresses financial reporting requirements for governments whose employees are provided with postemployment benefits other than pensions (other postemployment benefits or OPEB). The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

Significant Accounting Policies, continued

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*, which eliminates two of the four categories of authoritative GAAP that exist under the existing hierarchy prescribed by Statement No. 55. The hierarchy becomes (1) GASB Statements and (2) GASB technical bulletins and implementation guides in addition to AICPA guidance that the GASB clears. The provisions of Statement No. 76 are effective for fiscal years beginning after June 15, 2015. Management does not believe that the implementation of this Statement will have a material effect on the Authority's financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, which requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The provisions in Statement No. 77 are effective for fiscal years beginning after December 15, 2015. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local government employers whose employees are provided with such pensions. GASB Statement No. 78 will be effective for fiscal years beginning after December 15, 2015.

Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. GASB Statement No. 79 will be effective for fiscal years beginning after December 15, 2015. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The Statement is intended to provide clarity about how certain component units incorporated as not-for-profit corporations, with the primary state or local government being the sole corporate member, should be presented in the financial statements of the primary state or local government. GASB Statement No. 80 will be effective for fiscal years beginning after June 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

Significant Accounting Policies, continued

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-interest Agreements*. This Statement is intended to provide recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 81 is effective for fiscal years beginning after December 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73*. This Statement addresses the presentation of payroll – related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB Statement No. 82 is effective for fiscal years beginning after June 15, 2016. Management has not yet determined the effect of implementation of this Statement will have on Authority's financial statements.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements include management's estimate of the allowance for doubtful accounts is based on direct identification of management of items that are long outstanding; and management's estimate of depreciation expense which is based on estimated useful life of the respective capital assets. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole. During the year ended September 30, 2016, we not aware of any estimated of any significant changes in accounting estimates or in management's judgments relating to such estimates.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Uncorrected and Corrected Misstatements

Certain uncorrected misstatements accumulated by us (i.e., either identified by us or brought to our attention by management) were identified during the audit and pertaining to the latest period presented, which were determined by the Authority's management to be immaterial, both individual and in the aggregate, to the financial statements as a whole. Management has corrected all such misstatements (See Appendix B – Corrected Adjusting Journal Entries).

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of my audit.

Management Representations

We have requested certain representations from management that are included in the attached Appendix A – management representation letter dated April 19, 2017.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on matters. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that be expressed on those financial statements, our professional standards require the consulting accountant to check with me to determine the consultation has the relevant facts. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Major Issues Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Fraud and Illegal Acts

The Authority's was served 18 subpoenas from the federal government from July 2015 to May 2016. The nature of the subpoenas related to potential conflict of interest with its former legal counsel. Additionally, federal and local investigators served the Authority with a search warrant. There was fraud committed by a former employee who resigned and was prosecuted for bribery by Federal Officials. Except for the foregoing matters, we are not aware of any fraud or illegal acts from October 1, 2016 through April 19, 2017.

The Board of Commissioners
Guam Housing and Urban Renewal Authority

Control Related Matters

We have issued a separate report to you, dated April 19, 2017, on the Authority's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, which was based upon the audit performed in accordance with *Government Auditing Standards*. We have also issued a separate report of you, also dated April 19, 2017, involving the Authority's compliance with requirements applicable to each major program and on internal control over compliance in accordance with the Uniform Guidance.

We have communicated to management, in a separate letter also dated April 19, 2017, certain deficiencies and other matters related to the Authority's internal control over financial reporting that we identified during the audit.

Although we have included management's written responses to our comments, such responses have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

Independence

We are not aware of any relationships between Burger Comer Magliari and the Authority, or any other matters that in our professional judgement, may reasonably be thought to bear on our independence. We confirm that we are independent with respect to the Authority within the meaning of the applicable published rules and pronouncements, interpretations and rulings.

This information is intended solely for the use of Board of Commissioners, the management of Guam Housing and Urban Renewal Authority and the Office of Public Accountability – Guam and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Tamuning, Guam



GHURA

Guam Housing and Urban Renewal Authority
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 117 Bien Venida Avenue, Sinajana, GU 96910
 Phone: (671) 477-9851 • Fax: (671) 300-7565 • TTY: (671) 472-3701
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Eddie Baza Calvo
 Governor of Guam

Ray Tenorio
 Lt. Governor of Guam

George A. Santos
 Chairman

Thomas E. B. Borja
 Vice Chairman

Annabelle M. Dancel
 Commissioner

Carl V. Dominguez
 Commissioner

Eliza U. Paulino
 Commissioner

Joseph M. Leon Guerrero
 Resident Commissioner

Michael J. Ducas
 Executive Director

Pedro A. Leon Guerrero, Jr.
 Deputy Director

April 19, 2017

Burger Comer Magliari LLC
 Hengi Plaza, Suite 201
 278 South Marine Drive
 Tamuning, Guam 96911

This representation letter is provided in connection with your audit of the financial statements of Guam Housing and Urban Renewal Authority, which comprise the statement(s) of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 19, 2017, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 28, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.



- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP. To date, there have been no further communications with or decision made by the U.S. Department of Housing and Urban Development for the matters disclosed in Footnote 15 regarding the on-going Section 8 Housing Choice Voucher Program conflict of interest investigation and transfer of excess subsidies from the Section 8 Housing Choice Voucher Program to the Low Rent Housing Program.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the entity is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 12) As part of your audit, you assisted with the preparation of the financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, supplementary information, and schedule of expenditures of federal awards.
- 13) We acknowledge our responsibility for presenting the supplementary information accompanying the financial statements required by the U.S. Department of Housing and Urban Development (HUD) and the information submitted to HUD through the FASS-PH submission templates (collectively, the supplementary information required by HUD) in accordance with HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, and we believe the supplementary information required by HUD, including its form and content, is fairly presented in accordance with HUD's



Uniform Financial Reporting Standards for HUD Housing Programs. The methods of measurement and presentation of the supplementary information required by HUD have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Information Provided

14) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.

15) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

16) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

17) We have no knowledge of any fraud or suspected fraud that affects the entity and involves—

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

18) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

19) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.

20) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

21) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware including any potential conflicts of interest.



- 22) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) GHURA is an exempt organization under Section 115 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the entity's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 28) With respect to federal award programs:
 - a) We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.



- d) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- e) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- f) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- g) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and [have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards].
- i) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR, part 200, subpart E), OMB Circular A-122, *Cost Principles for Nonprofit Organizations*, and subpart C, Section 23, *Cost Sharing or Matching*, of OMB Circular A-110, *Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*, as applicable.
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.



- m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
- q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- t) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed up, ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- u) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- v) We have charged costs to federal awards in accordance with applicable cost principles.
- w) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.



- y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - z) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
 - aa) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- 29) We have taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts, and grant agreements; or abuse that you have reported to us.
- 30) We have a process to track the status of audit findings and recommendations.
- 31) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 32) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

Signature: _____

Title: Executive Director

Signature: _____

Title: Controller

GUAM HOUSING AND URBAN RENWAL AUTHORITY
Corrected Adjusting Journal Entries
September 30, 2016

APPENDIX - B

| Fund/Acct # | Account Name | Assets Dr. (Cr.) | Liabilities Dr. (Cr.) | Net Assets Beg. of Year Dr. (Cr.) | Income Statement Dr. (Cr.) |
|------------------------|--|---------------------|--------------------------|---|----------------------------------|
| AJE - 1 | | | | | |
| 006.1291.67.8.000.00.0 | Deferred outflows of resources | \$ 32,195.16 | | | |
| 009.1291.67.8.000.00.0 | Deferred outflows of resources | \$ 7,001.49 | | | |
| 070.1291.67.8.000.00.0 | Deferred outflows of resources | \$ 41,026.30 | | | |
| 070.1291.67.8.000.09.2 | Deferred outflows of resources | \$ 370.46 | | | |
| 071.1291.67.8.000.00.0 | Deferred outflows of resources | \$ 29,109.50 | | | |
| 072.1291.67.8.000.00.0 | Deferred outflows of resources | 20,724.76 | | | |
| 073.1291.67.8.000.00.0 | Deferred outflows of resources | 17,228.29 | | | |
| 074.1291.67.8.000.00.0 | Deferred outflows of resources | 15,098.35 | | | |
| 083.1291.67.8.000.00.0 | Deferred outflows of resources | 1,763.61 | | | |
| 084.1291.67.8.000.00.0 | Deferred outflows of resources | (3,110.71) | | | |
| 086.1291.67.8.000.00.0 | Deferred outflows of resources | 19,636.61 | | | |
| 128.1291.67.8.000.00.0 | Deferred outflows of resources | 48,706.00 | | | |
| 321.1291.67.8.000.00.0 | Deferred outflows of resources | 12,947.16 | | | |
| 006.2140.67.8.000.00.0 | Net pension liability | | (158,543.10) | | |
| 009.2140.67.8.000.00.0 | Net pension liability | | (43,989.00) | | |
| 070.2140.67.8.000.00.0 | Net pension liability | | (226,527.48) | | |
| 070.2140.67.8.000.09.2 | Net pension liability | | 111.33 | | |
| 071.2140.67.8.000.00.0 | Net pension liability | | (184,069.26) | | |
| 072.2140.67.8.000.00.0 | Net pension liability | | (124,162.46) | | |
| 073.2140.67.8.000.00.0 | Net pension liability | | (102,947.06) | | |
| 074.2140.67.8.000.00.0 | Net pension liability | | (68,547.10) | | |
| 083.2140.67.8.000.00.0 | Net pension liability | | (10,463.27) | | |
| 084.2140.67.8.000.00.0 | Net pension liability | | 34,019.56 | | |
| 086.2140.67.8.000.00.0 | Net pension liability | | (140,969.93) | | |
| 128.2140.67.8.000.00.0 | Net pension liability | | (306,305.30) | | |
| 321.2140.67.8.000.00.0 | Net pension liability | | (81,422.93) | | |
| 006.2293.67.8.000.00.0 | Deferred inflows of resources | | 300,380.17 | | |
| 009.2293.67.8.000.00.0 | Deferred inflows of resources | | 25,965.30 | | |
| 070.2293.67.8.000.00.0 | Deferred inflows of resources | | 281,400.47 | | |
| 070.2293.67.8.000.09.2 | Deferred inflows of resources | | 11,466.90 | | |
| 071.2293.67.8.000.00.0 | Deferred inflows of resources | | 103,070.34 | | |
| 072.2293.67.8.000.00.0 | Deferred inflows of resources | | 101,884.11 | | |
| 073.2293.67.8.000.00.0 | Deferred inflows of resources | | 85,804.08 | | |
| 074.2293.67.8.000.00.0 | Deferred inflows of resources | | 164,886.18 | | |
| 083.2293.67.8.000.00.0 | Deferred inflows of resources | | 9,094.44 | | |
| 084.2293.67.8.000.00.0 | Deferred inflows of resources | | 6,985.58 | | |
| 128.2293.67.8.000.00.0 | Deferred inflows of resources | | 179,384.56 | | |
| 321.2293.67.8.000.00.0 | Deferred inflows of resources | | 47,712.87 | | |
| 006.4540.67.8.803.10.1 | Pension expense - Section 8 Staff | | | | (174,032.23) |
| 009.4540.67.8.803.09.1 | Pension expense - Elderly Housing | | | | (860.44) |
| 070.4540.67.8.803.01.1 | Pension expense - COCC | | | | (104,765.12) |
| 071.4540.67.8.803.04.4 | Pension expense - Administrative | | | | (47,226.89) |
| 072.4540.67.8.803.04.4 | Pension expense - Administrative | | | | (60,448.16) |
| 073.4540.67.8.803.04.4 | Pension expense - Administrative | | | | (38,466.64) |
| 074.4540.67.8.803.04.4 | Pension expense - Administrative | | | | (126,816.35) |
| 083.1168.67.8.803.01.1 | Pension expense - Administrative | | | | (394.78) |
| 084.1168.67.8.803.10.1 | Pension expense - Administrative | | | | (27,894.43) |
| 128.4540.67.8.803.06.1 | Pension expense - Administrative | | | | 78,214.74 |
| 321.4540.67.8.803.06.1 | Pension expense - Administrative | | | | 20,762.90 |
| 070.4540.67.8.803.09.2 | Pension expense - Tenant Service | | | | (3,082.86) |
| 071.4540.67.8.803.04.5 | Pension expense - Tenant Service | | | | 34,379.02 |
| 072.4540.67.8.803.04.5 | Pension expense - Tenant Service | | | | 29,326.49 |
| 073.4540.67.8.803.04.5 | Pension expense - Tenant Service | | | | 10,962.81 |
| 074.4540.67.8.803.04.5 | Pension expense - Tenant Service | | | | 4,995.44 |
| 086.1168.67.8.803.10.1 | Pension expense - Tenant Service | | | | 121,333.32 |
| 009.4540.67.8.803.09.2 | Employee benefit - Pension Expense | | | | 11,882.65 |
| 071.4540.67.8.803.05.5 | Pension expense - Ordinary Maintenance | | | | 64,737.29 |
| 072.4540.67.8.803.05.5 | Pension expense - Ordinary Maintenance | | | | 32,675.26 |
| 073.4540.67.8.803.05.5 | Pension expense - Ordinary Maintenance | | | | 27,418.52 |
| 074.4540.67.8.803.05.5 | Pension expense - Ordinary Maintenance | | | | 10,383.47 |
| | | 242,696.99 | (105,781.00) | - | (136,915.99) |

I have reviewed the above proposed audit adjustment as of September 30, 2016 and agree that such should be recorded in the general ledger.
The above adjustment is not a result of fraud or illegal acts.

Lucile D. Leon Guerrero
Lucile D. Leon Guerrero
GHURA Comptroller



BURGER · COMER · MAGLIARI
CERTIFIED PUBLIC ACCOUNTANTS

April 19, 2017

To the Board of Commissioners
Guam Housing and Urban Renewal Authority:

In planning and performing our audit of the financial statements of the Guam Housing and Urban Renewal Authority (the Authority) as of and for the year ended September 30, 2016, on which we have issued our report dated April 19, 2017, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Guam Housing and Urban Renewal Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting. However, in connection with our audit, we identified, and included in the attached Appendix I, other matters as of September 30, 2016 that we wish to bring to your attention.

We have also issued a separate report to the Authority also dated April 19, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

This report is intended solely for the information and use of the Board of Commissioners and management of the Guam Housing and Urban Renewal Authority, the Office of Public Accountability – Guam, federal awarding agencies, pass-through entities, the cognizant audit and other federal agencies, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the attached comments with you and, if desired, to assist you in implementing any of the suggestions. We wish to thank the staff and management of the Guam Housing and Urban Renewal Authority for their cooperation and assistance during the course of this engagement.

Very truly yours,

Burger Comer Magliari

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APPENDIX I

SECTION I – CONTROL DEFICIENCIES

We noted certain matters related to control deficiencies involving the Authority's internal control over financial reporting as of September 30, 2016 and other matters that remain uncorrected that we wish to bring to your attention as follows:

Public Housing – Tenant File Quality Control Review

Comment: During our eligibility compliance testing, we noted that the Authority does not conduct periodic quality control testing on a consistent basis to identify deficiencies and/or missing documentation for completeness. For those files reviewed, we noted that certain Property Site Managers (PSMs), particularly AMP 4, were signing off on the review and completeness of the files; however, we found numerous errors and missing and incomplete documentation that remained uncorrected. In certain instances, file documentation was prematurely shredded and could not be located. The lack of a thorough review raises doubt regarding the PSM's ability to review the Housing Specialist's work and to properly certify tenant eligibility.

Recommendation: PSMs need to exercise better care when conducting internal control reviews and certification for completeness. The reviewer should document discrepancies and provide evidence that such discrepancies were cleared for third-party independent review and verification, and the quality control review form should be signed and dated by the reviewer.

We also recommend that the Authority establish and implement a file retention policy and document what tenant information should be carried over from year-to-year, what can be "dummied" and eventually discarded.

Public Housing – Oversight of Property Site Managers

Comment: GHURA has four Asset Management Projects (AMPs) managed by PSMs. Oversight functions reside with the Authority's Deputy Director, which facilitates internal control monitoring; however, Administrations change periodically and therefore, there is no consistent knowledgeable oversight over the Program within the Authority. We've noted that during the course of time, each AMP has created, revised, and adopted certain practices unique to each PSM's preference providing no consistency with various forms used to process and document tenant eligibility. As a result, we noted significant inconsistencies in the checklist used, file maintenance, and forms used, processed, and documented. These inconsistencies have led to some confusion as to how files should be maintained and vary among each AMP.

Recommendation: We recommend that the Authority consider appointing or hiring an individual with knowledge and skill to manage and oversee all four AMPs and PSMs. This individual can maintain and update the Admission and Continued Occupancy Policies (ACOP), provide training for cross-training; conduct quality control reviews; develop consistent policies, practices, and forms to be used; monitor lease-up, occupancy, and related unit vacancies; and perform other delegated duties and report to the Deputy Director. We believe this would facilitate and enhance Program integrity and the Authority's quality control and internal control monitoring procedures.

APPENDIX I

Public Housing – Work Orders

Comment: Work orders are not completed in a timely manner. We noted numerous large stacks of work orders at AMP 4 that were not completed. We found no evidence that these work orders were being tracked, scheduled in a timely manner, and properly identified as emergency work orders and regular routine maintenance.

Recommendation: We recommend that management review its work order policies and procedures to ensure that all emergency repairs and work orders are completed in a timely manner. Work order reports should be independently reviewed and monitored to ensure compliance with HUD regulations.

Section 8 Housing Choice Voucher – Landlords

Comment: In order to conduct business in the Territory of Guam, landlords must be properly licensed with the Guam Department of Revenue and Taxation. Based on our review of tenant and related landlord files, we noted that annual business licenses are not consistently obtained by GHURA to verify that landlords were properly licensed. The Authority only obtains business licenses from new landlords entering into HAP contracts but not on an annual basis.

Recommendation: We recommend that the Authority establish a policy and procedure to obtain landlord business licenses on annual basis to ensure that landlords are properly licensed to conduct business in the Territory of Guam, to prevent improper payments to unlicensed landlords, and to mitigate potential fraud.

Section 8 Housing Choice Voucher – Landlord File Maintenance

Comment: During our compliance testing of the Section 8 HCV program, certain tenant landlord files selected in conjunction with our sample were found to be in total disarray. Required documentation was being inserted in the landlord files in our presence. Numerous files lacked complete documentation as required (certificate of title, warranty deed, business license, direct deposit authorization forms, etc.); and documents were loosely placed in files and unorganized. Staff stated insufficient time was available to properly maintain the files. There is no standardized checklist used to ensure that all required documentation is obtained, filed and updated as needed.

Recommendation: The Authority should establish internal control policies and procedures over the maintenance and content to be included in landlord files. An individual should be assigned to maintain tenant landlord files. The current landlord file checklist should be reviewed and revised to ensure that it encompasses all required documentation needed from landlords. Management should consider removing the landlord file maintenance function from the Housing Inspector or providing guidance over the maintenance of such files and monitor landlord file maintenance on a periodic basis. The updating of landlord files should be coordinated with Housing Specialist during initial and recertification of tenant eligibility to ensure that the necessary information is obtained, shared and required documentation is filed in a systematic and timely manner.

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Section 8 Housing Choice Voucher – Tenant File Quality Control Review

Comment: During our eligibility compliance testing, we noted that the Authority conducts periodic quality control testing to identify deficiencies and/or missing documentation for completeness. We noted various items cited by reviewers; however, there was no evidence to indicate that the deficiencies were corrected and approved by the reviewer.

Recommendation: To enhance the Authority's quality control and internal control monitoring procedures, when Section 8 HCV files are internally reviewed and certified for completeness, the reviewer should document discrepancies, provide evidence that such discrepancies were cleared for third-party independent review and verification, and be signed and dated by the reviewer.

Section 8 Housing Choice Voucher – Maintaining Database for Unassisted Units

Comment: Before entering into a HAP contract, a Public Housing Authority (PHA) must not execute a HAP contract until it has documented that the charged rent is reasonable. Before the PHA may approve any rent increase to the owner, the PHA must determine and document whether the proposed rent is reasonable compared to similar units in the marketplace and not higher than those paid by unassisted tenants. The key for rent reasonableness is to be able to compare the rents for proposed program units to the rents for units currently or very recently placed on the market. To include rents for units occupied for several years is likely, in most markets, to understate the rents new tenants will have to pay. On the other hand, in some communities, the asking rent is frequently higher than the actual rent owners are willing to accept. In those communities, the PHA should also obtain information on the actual rents for recently rented units to determine the actual market rent for the comparable units.

Recommendation: Management should consider updating its database on more periodic basis by either conducting surveys, reviewing newspaper listings with real estate companies that handle rental properties, internet listing, current landlord that have unassisted rental properties, etc. The frequency in which the database is updated depends upon changes in market conditions. In some communities on Guam, it may be adequate to update the information every two years. For rapidly changing markets, however, it may be appropriate to update the database quarterly.

Revolving Fund

Comment: The Authority utilizes and maintains a revolving fund as its primary fund for disbursing payments and receiving funds. We continue to note that other federal and non-federal programs are accounted for and maintained in the Revolving Fund, which creates difficulty when reporting on a fund basis.

Recommendation: The Revolving Fund should only be used for the receipt and disbursement of funds to account for inter-fund activity to support the operations of other funds and programs. It should not be used for maintaining the general ledger accounts for specific federal and local program funds. We recommend that the Fiscal Division consider limiting the use of the Revolving Fund for such activities and purposes.

APPENDIX I

Fiscal Division – Staffing

Comment: During our audit, we noted that the Fiscal Division lacked sufficient staff to perform its various accounting functions. The Authority has eight (8) accountants, of which, two are assigned to the Research, Planning and Evaluation (RP&E) Division, and yet, they are still unable to maintain its books on a current basis to produce financial statements in a timely manner. Given the volume of transaction processing, account reconciliation, payroll, budgeting, internal and external HUD reporting requirements, the Fiscal Division appears to lack a mid-level manager to oversee the day-to-day functions of accounting technicians, entry level accountants, and temporary staff assigned to the Division. We also noted that temporary and unqualified staff were used to retrieve and provide documentation who were unfamiliar with the requirements and information needed; and therefore, unable to provide such information in a timely manner.

Recommendation: Management should assess its processes to improve the efficiency and consider realigning current staff between the Fiscal Division and the RP&E. The General Accounting Supervisor (GSA) assigned to RP&E was instrumental during the audit. Management should consider rotating this staff person to the Fiscal Division and reassigning an Accountant III to the RP&E Division. The GSA can oversee the RP&E accounting functions and report to either the Deputy Controller or Controller.

REPEAT COMMENTS

Fiscal Division – Accounting System

Comment: The Fiscal Division continues to maintain two locations to process and account for the funds managed by the Authority. While the Fiscal Division at the Authority's main office maintains the official accounting records, a separate general ledger is maintained at the RP&E Division to account for the Community Development and related Federal grant programs. The accounting systems used remain separate independent systems.

Recommendation: We made recommendation in prior years on the logistical structure of the Fiscal Division and the possibility of merging the two systems. We repeat those recommendations. Subsequent to September 30, 2014, the RP&E Division was relocated to the Authority's central office.

We also recommend that management consider obtaining a new accounting system that reports on a fund basis, as the current accounting software platform is specifically program driven and not necessarily for financial reporting. Consequently, numerous manual journal entries must be made each month to record accounting transactions, which is too cumbersome and requires numerous month-end reconciliations.

Fiscal Division – Comingling of Funds

Comment: The accounts of the Authority are organized and operated on the basis of funds and grant programs. Fund financial statements report detailed information about the Authority. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes its assets, liabilities, net position, revenues, and expenses. We continue to note that the Fiscal Division comingle various funds due to reporting requirements to HUD's Real Estate Assessment Center (REAC) for Financial Data Schedule (FDS) reporting purposes.

APPENDIX I

Fiscal Division – Comingling of Funds, continued

Specifically, the Capital Fund Project funds are comingled with the four Asset Management Projects of the Public Housing Program along with Central Office Cost Center (COCC), the Department of Interior Grant is comingled with the Revolving Fund and the Multifamily Housing Service Coordinator grant is comingled with Supporting Housing for the Elderly Program.

Recommendation: While we understand the need to combine certain funds for HUD FDS periodic reporting, we recommend these funds be separately maintained and recorded within the general ledger in order to produce individual trial balances and financial statements on a fund basis, in a timely manner rather than relying on pivot tables and supplemental spreadsheets.

Monthly Accounts Payable Aging Reports

Comment: The Authority was not able to produce monthly accounts payable aging reports due to system limitations. Although the Fiscal Division tracks the Authority's accounts payable via the payables journal, Accounts Payable Aging reports can only be produced at year-end closing. Consequently, the Authority is unable to properly monitor the aging of its accounts payable and effectively manage cash flows.

Recommendation: We recommend that the Authority consults with its software vendor and obtain a software patch or modification to generate monthly accounts payable aging reports.

Asset Management Project – Property Site Manager File Review

Comment: Tenant interviews and eligibility certification should be performed by Housing Specialist and reviewed and certified by the PSMs. PSMs are not properly documenting their review and certification nor is the file checklist being properly signed and dated to evidence independent review.

Recommendation: To ensure proper segregation of duties, we recommend that PSMs review all tenant files for completeness and proper certification of program eligibility and sign and date the checklist to evidence tenant file review.

Local Funds

Comment: The Authority reports on a "fund basis" and accounts for approximately 85 different funds, of which, 20 are local funds. Many of the local funds have nominal to no activity each year.

Recommendation: We recommend that management consider reviewing the mandate of each of its local funds to determine whether those mandates have been fulfilled and whether such funds can be closed out or consolidated under one separate fund.