



**BOARD OF COMMISSIONERS  
REGULAR SCHEDULED MEETING  
12:00 P.M., March 26, 2021  
GHURA's Main Office (via Zoom)  
1<sup>st</sup> floor, Conference Room, Sinajana  
AGENDA**

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**I. ROLL CALL**

**II. BOARD MEETING PUBLIC ANNOUNCEMENTS**

1<sup>st</sup> Printing - Friday, March 19, 2021  
2<sup>nd</sup> Printing - Wednesday, March 24, 2021

**III. APPROVAL OF PREVIOUS BOARD MINUTES** – February 26, 2021  
March 04, 2021

**PAGE (S)**

**IV. NEW BUSINESS**

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| 1. Resolution No. FY2021-010 .....   | 1 - 2 |
| Resolution requesting an additional Housing Specialist Position<br>in the Public Housing - AMP#3 |       |

**V. CORRESPONDENCE AND REPORTS**

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| 1. A/E Manager's Update                                 |        |
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| 3. 2021 LIHTC QAP/Application - DRAFT (for review)..... | 7 - 43 |

**VI. GENERAL DISCUSSION / ANNOUNCEMENTS**

1. Next proposed scheduled Board Meeting: Friday, April 23<sup>rd</sup> @ 12:00 p.m.

**VII. ADJOURNMENT**

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**BETTER:** 3 Lines, 10 Consecutive Days.....\$73.00

**AUTOMOTIVE PACKAGES**  
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**BETTER:** 3 Lines, 10 Consecutive Days.....\$33.00  
**BEST:** 3 Lines, 14 Consecutive Days.....\$40.00  
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**BETTER:** 3 Lines, 7 Consecutive Days.....\$33.00

**PETS**  
**GOOD:** 3 Lines, 3 Consecutive Days.....\$24.50  
**BETTER:** 3 Lines, 10 Consecutive Days.....\$33.00  
**BEST:** 3 Lines, 14 Days.....\$40.00

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**NOTICE OF REGULAR BOARD MEETING OF THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY**  
 The Guam Housing and Urban Renewal Authority ("GHURA") will hold its Regular Meeting of the GHURA Board of Commissioners on Friday, March 26, 2021 at 12:00 PM. This Board Meeting is open to the public via teleconference.  
 If you would like to join the meeting, please contact Audrey Agoun at 475-1378 by Wednesday, March 24, 2021 for more information.  
 For special accommodations, contact Katherine Taitano at 475-1322 or TTY 472-3701.

**GUAM ELECTION COMMISSION**  
**Kumision Ileksion Guåhan**  
 2nd Floor, Suite 200, GCIC Building  
 414 W. Soledad Avenue, Hagåtña, Guam 96910  
 Tel: 671-477-9791 • Fax: 671-477-1895  
 E-mail: [vote@gec.guam.gov](mailto:vote@gec.guam.gov)  
 Website: [www.gec.guam.gov](http://www.gec.guam.gov)

**Invitation for Bid**  
 IFB# GEC-21-01

**60 Month Copier Lease**  
**IFB Available:** Wednesday, March 24, 2021  
**Bid Due:** Friday, April 9, 2021  
 2:00 p.m. (ChST)

Download bid package at <http://gec.guam.gov>, or bid package may be picked up at the Guam Election Commission office at 414 West Soledad Avenue, 2nd Floor, GCIC Building, Suite 200, Hagåtña, Guam 96910. All interested parties must register with the Guam Election Commission to be able to participate in the bid.

This advertisement is paid with government funds.

**GUAM ELECTION COMMISSION**  
**Kumision Ileksion Guåhan**  
 2nd Floor, Suite 200, GCIC Building  
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 Tel: 671-477-9791 • Fax: 671-477-1895  
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 Website: [www.gec.guam.gov](http://www.gec.guam.gov)

**Invitation for Bid**  
 IFB# GEC-21-02

**Office Space Lease**  
**IFB Available:** Wednesday, March 24, 2021  
**Bid Due:** Friday, April 23, 2021  
 2:00 p.m. (ChST)

Download bid package at <http://gec.guam.gov>, or bid package may be picked up at the Guam Election Commission office at 414 West Soledad Avenue, 2nd Floor, GCIC Building, Suite 200, Hagåtña, Guam 96910. All interested parties must register with the Guam Election Commission to be able to participate in the bid.

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WEDNESDAY, MARCH 24, 2021 | PACIFIC DAILY NEWS 28



**BOARD OF COMMISSIONERS  
REGULAR SCHEDULED MEETING  
12:00 P.M. February 26, 2021  
GHURA's Main Office (via Zoom Video Conference)  
1<sup>st</sup> floor, Conference Room, Sinajana  
BOC MEETING MINUTES**

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**I. ROLL CALL**

After notice was duly given, pursuant to the Open Government Law of Guam and the Bylaws of the Authority, the Board of Commissioners' regularly scheduled board meeting was called to order at **12:00 P.M., Friday, February 26, 2020** at the GHURA Sinajana Main Office, 1st floor Conference room, by Chairman Flores. He indicated that **4** members of the Board of Commissioners were present, representing a quorum and that the meeting would proceed as scheduled. He also stated that Vice Chairwoman Guzman would be attending the meeting shortly.

<p><b>PRESENT: (VIA ZOOM VIDEO CONFERENCE)</b> Sabino Flores, <b>Chairman</b> Monica Guzman, <b>Vice Chairwoman</b> George Pereda, <b>Commissioner</b> Frank Ishizaki, <b>Commissioner</b> Anisia Delia, <b>Commissioner</b></p> <p><b>ABSENT:</b> Joseph Leon Guerrero, <b>Resident Commissioner</b></p> <p><b>LEGAL COUNSEL:</b> Anthony Perez, Esq.</p>	<p><b>MANAGEMENT &amp; STAFF:</b> Ray Topasna, <b>Executive Director</b> Elizabeth Napoli, <b>Deputy Director</b> Audrey Aguon, <b>Special Assistant</b> Lucele Leon Guerrero, <b>Controller</b> Kimberly Bersamin, <b>HR Administrator</b> Katherine Taitano, <b>CPD/RP&amp;E Manager</b> Sonny Perez, <b>A/E Manager</b> Greta Balmeo, <b>Buyer Supervisor</b></p> <p><b>PUBLIC: (VIA ZOOM VIDEO CONFERENCE)</b> <b>Mr. Gerry Partido</b> <b>Unidentified Participant (Tricia's ipad)</b></p>
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**II. BOARD MEETING PUBLIC ANNOUNCEMENTS**

1<sup>st</sup> Printing – Friday, February 19, 2021 via PDN

2<sup>nd</sup> Printing – Wednesday, February 21, 2021 via PDN

**ACKNOWLEDGED.** The Chairman also indicated that the agenda and announcement were posted on the Attorney General's website.

**III. APPROVAL OF PREVIOUS BOARD MINUTES**

[020/21] Chairman Flores made a motion to approve the meeting minutes of February 12, 2021 as corrected. The motion was seconded by Commissioner Pereda. With no objections by the other board members, the motion was approved.

#### **IV. NEW BUSINESS**

##### **1. [021/21] Intent of Award-IFB#GHURA-COCC-021-001, Security Alarm Monitoring and Roving Patrol Services-**

Director Topasna stated:

- GHURA had issued an Invitation for Bid to contract for the following services: Base Bid Item#1- monitoring alarm systems at GHURA's main office, AMP sites, and Guma Trankilidad. Base Bid Item#2- after hours answering services. Base Bid Item#3- Trouble shooting and repair services. Base Bid Item#4- Roving patrol services at Guma Trankilidad and AMP4, Dededo Elderly.
- Of the 4 companies that expressed interest, 2 submitted bids: G4S and Secure Safe Solutions.
- Upon review of the bid submissions, GHURA is requesting of the board to award the security alarm monitoring and roving patrol services contract to G4S for a 1-year contract in the total annual amount of \$32,420.04, subject to increase due to labor costs at \$65.00 per hour on an as needed basis.
- Director Topasna added that security is paramount at the authority. Recent events at the main office were monitored and recorded via security cameras and were helpful to law enforcement officials.

Commissioner Ishizaki inquired about whether Secure Safe Solutions would be awarded Base Bid Item#3 or if G4S would be awarded all the Base Bid Items. Miss Balmeo stated that G4S would be awarded all the Base Bid Items.

Chairman Flores inquired on the term of the contract. Miss Balmeo stated that GHURA would like the contract to commence on March 1. She added that should the board approve the award; a Notice of Award will be issued immediately.

Vice Chairwoman Guzman asked that Miss Balmeo explain all the services included in Roving Patrol Services. Miss Balmeo stated that in light of the recent burglaries at the AMP sites, the service included G4S personnel patrolling the Dededo Elderly and Guma Trankilidad sites during the scheduled patrol times provided by the AMP managers. She indicated that a guard will be stationed at those sites, as well. She also added that the other AMP sites have the option to secure roving patrol services as needed.

Commissioner Ishizaki asked that Miss Balmeo explain why the contract indicates roving services, but not stationary guard services. Miss Balmeo stated there would be check points established on the properties at which guards will check in and conduct spot checks at random times throughout the roving period. Vice Chairwoman Guzman inquired about the number of **random** patrols between the times of 6PM and 6AM. Miss Balmeo stated that a minimum or maximum number of random roving patrols was not established. However, Miss Balmeo added that she would discuss this with the vendor and the PSMs. Commissioner Ishizaki indicated that it would be a good idea to establish a specific number of times required for the random roving patrols per hour or per shift. Chairman Flores added that the Base Bid amount would have been based on a certain number of hours, so the firm should be able to provide a minimum number of hours for the roving services. There were no further discussions.

**[022/21] With no further discussions, Commissioner Ishizaki made a motion to approve the Intent of Award-IFB#GHURA-COCC-021-001 for Security Alarm Monitoring and Roving Patrol Services to G4S. The motion was seconded by Commissioner George Pereda. With no objections by the other board members, the motion was passed.**

**2.[023/21] Intent of Award- IFB#GHURA-COCC-021-002, FY2021 Insurance Coverages for Excess Liability, Automobile, and Workers Compensation**

Director Topasna stated the following:

- GHURA issued an Invitation to Bid for three lines of coverage to include Excess Liability, Automobile, and Worker's Compensation.
- 5 Companies expressed interest; only 2 companies submitted bids.
- GHURA requested that the board of commissioners award the Lines of Insurance coverage for Excess Liability, Automobile, and Worker's Compensation to AM Insurance in the amount of \$47,102.57.
- The 3 Lines of Insurance are for a term of 1 year.

Commissioner Pereda inquired about what Excess Liability includes as an insurance coverage.

Miss Balmeo stated that Excess liability covers lines of coverage that aren't covered under General Liability. She stated that Excess Liability conditions that would be covered are alcoholic beverages and special events. These events are not covered under general liability coverage.

There were no further questions or discussions.

**[024/21] Vice Chairwoman Guzman made a motion to approve Intent of Award- IFB#GHURA-COCC-021-002, FY2021 Insurance Coverages for Excess Liability, Automobile, and Workers Compensation to AM Insurance in the total amount of \$47,102.57. The motion was seconded by Commissioner Delia. There were no objections by the other board members. The motion was passed.**

**3. [025/21]Intent of Award- IFB#GHURA-COCC-021-003, Metrolan/ Connectivity/Internet /Telecom Bundled Services.**

**Chairman Flores indicated that this item will be skipped for now.**

**4. [026/21] Intent of Award IFB#GHURA-01-11-2021-TRAN; Up-grade of Kitchen & Bathroom on 8 Units at Guma Trankilidad in Tumon-Phase IV**

Director Topasna stated the following:

- A total of 4 contractors purchased bid specs. Only 3 submitted bids.

- Genesis Tech. Corp., Asia Pacific International, and OH Construction submitted bids.
- Based on the staff's review and determination, Director Topasna requested that the board approve a contract with Genesis Tech. Corporation for Base bid item #1, in the amount of \$188,000 for 8 units at Guma Trankilidad for the upgrade of kitchens and bathrooms.

There were no further questions or discussions.

**[027/21] Chairman Flores made a motion to approve Intent of Award for Base Bid item #1 under IFB#GHURA-01-11-2021-TRAN; Up-grade of Kitchen & Bathroom on 8 Units at Guma Trankilidad in Tumon-Phase IV, in the amount of \$188,000. Commissioner Delia seconded the motion. With no objections by the other board member, the motion was passed.**

**5. [028/21] Intent of Award-IFB#GHURA-01-12-2021-AMPs 1, 2, 3, & 4; Renovation of (11) Eleven Public housing Units at various AMPs-**

Director Topasna stated the following:

- A total of 3 contractors purchased bid specs. Only 2 submitted bids.
- Contractors that submitted bids were: Genesis Tech. Corporation and Asia Pacific International.
- Base bids were divided into 4: Base Bid item #1- to renovate 2 units at AMP1, Base Bid #2-to renovate 3 units at AMP2, Base Bid #3- to renovate 2 units at AMP3, and Base Bid #4- to renovate 4 units at AMP4.
- Modernization of the units includes: rewiring and upgrades to the electrical system, removing and retiling of original tiles, the upgrade of kitchens and bathrooms, scraping and repainting of interior, and the replacement of walls with gypsum boards with cement boards.
- Based on the staff's determination, GHURA is requesting approval to issue contracts to Asia Pacific International for Base Bid item #1 at \$92,356. And to Genesis Tech Corporation for Base bid items #2, 3, and 4 in the combined amount of \$336,000.

Chairman Flores inquired about the reason Genesis Tech had not submitted a bid for Base bid item #1. Miss Balmeo stated that no reason was given. Chairman Flores asked if there was a requirement to submit a bid for all base bid items. Miss Balmeo indicated that there was no requirement to submit a bid for every base bid item.

There were no further questions or discussions.

**[029/21] Chairman Flores made a motion to approve the contract for Asia Pacific for Base bid item #1 in the amount of \$92,356 and to award Genesis Tech for Base bid items #2, 3, and 4 in the combined amount of \$336,000. The motion was seconded by Vice Chairwoman Guzman. With no objections by the other board members, the motion was passed.**

**6. [030/21] Resolution FY2021-008 approving the above-step recruitment for the Deputy Controller position.**

Director Topasna stated the following:

- GHURA is requesting above-step recruitment for the Deputy Controller's permanent position for Mrs. Frances Danieli.
- Qualifications include: A Master of Business Administration from UOG, 2 National Certifications, a Certified Governmental Financial Manager, a Certified Bookkeeper, and possesses over 21 years of government accounting experience.
- Director Topasna stated that GHURA has been tracking very well with the FY20 Audit due to the talent in its FISCAL Division. Mrs. Danieli is a part of GHURA's talented FISCAL Division.
- Management believes that the Compensation and Benefits package is very competitive with the private sector.
- GHURA respectfully requests that the board approve the above step recruitment of Mrs. Danieli at RG3-9F for approximately \$91,729 or \$44.10 per hour.

Commissioner Pereda stated that at the BOC meeting to approve Mrs. Danieli's temporary appointment, it was established that interviews with other candidates would be conducted. He inquired whether the other interviews were performed. Mrs. Kim Bersamin indicated that the immediate need to fill the vacancy was the reason HR began with the temporary recruitment process. She indicated that the Merit System based recruitment began in November of 2020. Ads were posted on the GHURA website, as well as in the media, and ran until February. The process was completed and the candidate has requested that the board take into consideration her exceptional qualifications. Deputy Director Napoli added that Mrs. Danieli has contributed significantly to the FISCAL Division in reaching GHURA's target of completing its audit report.

Commissioner Pereda indicated that he wanted to be certain that GHURA had done its due diligence and was clear in announcing the position and entertained all those who were interested and qualified, as well. Mrs. Bersamin acknowledged Commissioner Pereda's concerns.

There were no further questions or discussions.

**[031/21] Chairman Flores made a motion to approve Resolution FY2021-008 approving the above-step recruitment for the Deputy Controller position. Commissioner Ishizaki seconded the motion. There were no objections by the other board members. The motion was passed.**

**7. [032/21] Resolution FY2021-009 approving the above-step recruitment for the Accountant II Position.**

Director Topasna stated the following:

- Mr. Garcia has exceptional qualifications for the Accountant II position.
- He is a Certified Public Accountant.
- The addition of Mr. Garcia will give GHURA a total of 4 CPAs.

- He holds a BA in Business Administration in Accounting and continues his education.
- He has experience with Internal Auditing.
- Director Topasna believes that the Compensation and benefits package is competitive with the private sector.
- He respectfully requested that the board approve the above-step recruitment for Mr. Garcia at MG3-7(E) for approximately \$52,415.00 p/a; \$25.20 per hour.

Vice Chairwoman Guzman asked with the addition of Mr. Garcia, how many members the FISCAL team consist of. Mrs. Bersamin stated that it would bring the number to five. She added that over the years requests have been made to include an additional accountant to assist the FISCAL team. Mr. Garcia will be able to provide additional analysis.

Director Topasna stated that in the past, FISCAL had been operating very lean, adding that Personnel costs are only about 7% of GHURA's total operation, but remained confident that the current FISCAL team the GHURA has assembled, will continue to succeed.

Commissioner Ishizaki inquired about whether hiring the additional candidates will make GHURA more solid fiscally, moving forward. Director Topasna stated that GHURA is unique in that it must also handle S8, PH, CDBG, HOME, ESG, LIHTC, and other projects. He added that ideally, he would like to hire more people, but would like to hold off until the end of March to know where GHURA stands with regard to the FY20 audit. Deputy Director Napoli stated that the auditor made mention of the fact that GHURA had come a long way with bringing its pending items to almost no items left on the audit report. She and Director Topasna attributed the success to the hard work and commitment of the FISCAL team.

There were no further discussions.

**[033/21] Chairman Flores made a motion to approve Resolution FY2021-009 approving the above-step recruitment for the Accountant II Position. Commissioner Ishizaki seconded the motion. There were no objections. The motion was passed.**

## **V. OLD BUSINESS**

## **VI. GENERAL DISCUSSION / ANNOUNCEMENTS**

## **VII. EXECUTIVE SESSION**



## **VIII. ADJOURNMENT**

[034/21] With no further general discussions, Chairman Flores made a motion to adjourn the meeting until March 4, 2021 at 12PM to be held in the GHURA Main Conference room. He added that the resumed meeting will only address the remaining items on this agenda, specifically item number 3 under New Business, item number 1 under Old Business, and the Executive Session under item number 7.

Vice Chairman Guzman inquired whether the board was going into recess or adjournment. Chairman Flores stated that under 5 GCA 8109, the meeting will be adjourned until the March 4<sup>th</sup> meeting. Commissioner Delia seconded the motion. There were no objections by the other board members. The motion was passed to adjourn the meeting until March 4, 2021 at 12PM. Chairman Flores also stated, "GHURA will be adjourning this regularly conducted board meeting until March 4<sup>th</sup>, 2021 at 12PM in the GHURA Conference room. This adjournment is made pursuant to 5 GCA 8109. The adjourned meeting on March 4<sup>th</sup>, 2021, will constitute a continued regular meeting for all purposes and the agenda for such meeting will remain the same. An order of notice of the adjournment is posted on the front door of GHURA's entrance and conference room and will further be posted on the website of GHURA and the Office of the Attorney General of Guam. For all participants on the zoom board meeting, please take note of the time and date of this continued board meeting. All this is in line with 5 GCA 8109. Since we have an approved motion to adjourn today's meeting until March 4<sup>th</sup>, this meeting is hereby adjourned at 12:53PM, February 26, 2021.

SEAL

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RAY S. TOPASNA  
Board Secretary / Executive Director



**BOARD OF COMMISSIONERS**  
**(RECONVENED MEETING of February 26, 2021)**  
**12:00 P.M. March 4, 2021**  
**GHURA's Main Office (via Zoom Video Conference)**  
**1<sup>st</sup> floor, Conference Room, Sinajana**  
**BOC MEETING MINUTES**

---

**I. ROLL CALL**

After notice was duly given, pursuant to the Open Government Law of Guam and the Bylaws of the Authority, the Board of Commissioners' regularly scheduled board meeting was called to order at **12:00 P.M., Friday, March 4, 2020** at the GHURA Sinajana Main Office, 1st floor Conference room, by Chairman Flores. He indicated that **4** members of the Board of Commissioners were present, representing a quorum and that the meeting would proceed as scheduled. Chairman Flores stated that today's meeting is a continuance of the meeting that took place on February 26, 2021. He added that the meeting will be to address the remaining items of the February 26 agenda and the Executive Session.

<p><b>PRESENT: (VIA ZOOM VIDEO CONFERENCE)</b>          Sabino Flores, <b>Chairman</b>          Monica Guzman, <b>Vice Chairwoman</b>          George Pereda, <b>Commissioner</b>          Frank Ishizaki, <b>Commissioner</b></p> <p><b>ABSENT:</b>          Joseph Leon Guerrero,  <b>Resident Commissioner</b>          Anisia Delia, <b>Commissioner</b></p> <p><b>LEGAL COUNSEL:</b>          Anthony Perez, Esq.</p>	<p><b>MANAGEMENT &amp; STAFF:</b>          Ray Topasna, <b>Executive Director</b>          Elizabeth Napoli, <b>Deputy Director</b>          Audrey Aguon, <b>Special Assistant</b>          Katherine Taitano,  <b>CPD/RP&amp;E Manager</b>          Greta Balmeo, <b>Buyer Supervisor</b>          Julie Lujan, <b>MIS Manager</b></p> <p><b>PUBLIC: (VIA ZOOM VIDEO CONFERENCE)</b>          Mr. Gerry Partido          Unidentified Participant (Tricia's ipad)</p>
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**II. BOARD MEETING PUBLIC ANNOUNCEMENTS**

1<sup>st</sup> Printing – Friday, February 19, 2021 via PDN

2<sup>nd</sup> Printing – Wednesday, February 21, 2021 via PDN

**ACKNOWLEDGED.** The Chairman also indicated that the agenda and announcement were posted on the Attorney General's website. **COMPLETED ON FEBRUARY 26, 2021**

**III. APPROVAL OF PREVIOUS BOARD MINUTES**

**COMPLETED ON FEBRUARY 26, 2021**

#### **IV. NEW BUSINESS**

**1. Intent of Award-IFB#GHURA-COCC-021-001, Security Alarm Monitoring and Roving Patrol Services. COMPLETED ON FEBRUARY 26, 2021**

**2. Intent of Award- IFB#GHURA-COCC-021-002, FY2021 Insurance Coverages for Excess Liability, Automobile, and Workers Compensation. COMPLETED ON FEBRUARY 26, 2021**

**3. [035/21] Intent of Award IFB #GHURA-COCC-021—003, Metrolan Connectivity/Internet/Telecom Bundle Services**

Director Topasna stated the following:

- Four vendors had expressed interest in this particular bid.
- Three vendors submitted bids: Docomo Pacific, Pacific Data Systems, and IT&E.
- MIS Division determined IT&E to be the lowest responsive and responsible bidder. Bid Item #1, Metrolan Connectivity- IT&E bid \$13,860. Bid Item #2, Internet Service- \$9,000. Bid Item #3, Voice Service- \$9,120.
- Director Topasna requested that the board award the amount of \$31,980.00 to the lowest responsive and responsible bidder, IT&E.

Mrs. Julie Lujan, MIS manager, indicated that PDS had been the sole source bidder for GHURA for many years and welcomed 3 other vendors in this round. She added that IT&E's bid amount was half the cost of PDS's cost. Mrs. Lujan stated that she received a FOIA from PDS as they had done a review of the other bidders. She anticipates a possible protest from PDS.

Commissioner Ishizaki asked that Mrs. Lujan elaborate on the deficiencies that PDS claims disqualifies IT&E. Miss Greta Balmeo stated that she drafted a Memo to File which will be included in the procurement record, attached the letter sent by PDS identifying deficiencies in IT&E's bid and sent them to legal counsel, Mr. Tony Perez. It was determined that the deficiencies were considered minor informalities. She added that in line with 2 GAR Section 3109, which is identified in the Memo to File, states "Insignificant mistakes and minor informalities can be waived or corrected without prejudice to other bidders and without any effect on price, quantity, quality, delivery or contractual condition." She added that the minor informalities discovered were regarding required documentation. The Bid Bond Form was missing a number on the date year. The Non Representation Condition form, which is the HUD form 5369C, did not indicate that there was no Representation. The Disclosure of Organizational Conflict of Interest was completed and submitted. She also indicated in the Memo to File, that Procurement addressed and recognized Board Commissioner Anisia Delia's employment with IT&E and that her position as the Organizational Development and Training Manager only encompasses Human Resource duties and has no involvement with IT&E's participation in GHURA's invitation of bid.

Mr. Tony Perez added that Commissioner Delia is completely out of the loop in this matter. With regard to the minor informalities, Mr. Perez stated that one such minor informality was that the certification regarding contingency representation was not marked. However, an affidavit was submitted regarding the contingency representation. They also did not check off on the WMBE form, where the business must indicate whether it is a Women, Small business, or a minority business. He added that all the minor informalities were easily corrected and did not affect the award or bid amount at all. He stated that PDS also had issues with how the Bid bond was filled out. It was clear. It was signed off by the principle insurty at 50% of the bid amount. Mr. Perez stated that he did not have any major issues with the insignificant mistakes being corrected or minor informalities being waived. However, should PDS not be happy with GHURA's response or board action, PDS may avail themselves with whatever legal remedies they choose.

Vice Chairwoman Guzman inquired about PDS's argument about the point to point vs. point to multi point technical design. Mrs. Lujan stated that PDS referenced the pre-bid meeting minutes that she wrote and which were abbreviated. She added that the design that IT&E submitted indicated point to point, not point to multi point. The point to multi point is not what GHURA wants. PDA had misquoted what was on the minutes.

Chairman Flores asked whether IT&E met the bid requirements. Mrs. Lujan confirmed that IT&E did meet the bid requirements. The same format that PDS provided is the same format that IT&E is proposing.

Vice Chairwoman Guzman stated there may be a possibility of a protest if the board approved the award to IT&E. Mr. Tony Perez stated that PDS did submit a version of why they believe the other bids were not responsive or responsible, but disagreed with their contentions and found no merit with their contentions. He did agree with the Vice Chairman that there is a potential of a protest by PDS.

Commissioner Ishizaki inquired on whether the FOIA request was addressed. Mr. Tony Perez indicated that responsive documents were provided. As to a specific response to the letters sent by PDS, GHURA did not formally respond to their interpretation of how some of the bids were deficient. He indicated that the Memo to File is still under review before being formalized and made as a memo to file.

Chairman Flores stated that until the board takes action there will be no award, but until there is an award, there will be no protest. Commissioner Ishizaki agreed with the Chairman and stated that he would be more comfortable if Mr. Tony Perez finalized his review of the Memo to File.

Mr. Tony Perez stated that the Memo to File is simply to memorialize what had transpired. Issues were raised by PDS which GHURA had found to be meritless. Therefore, GHURA is comfortable with recommending the award to IT&E based upon the determination of being the most responsive, responsible and the lowest bidder.

Chairman Flores inquired about whether it was improper for an unsuccessful bidder to FOIA a bid document when the bids are still being evaluated. Mr. Perez stated that once the bids are submitted and opened in public, they are subject to review. It is a part of

public record. This is further clarified with the OPA. He added that once bids are turned in and there is a public opening of them, it becomes a public record open to inspection and review, apart from matters in the bids that are marked as confidential.

There were no further questions or discussions.

**[036/21] Chairman Flores made a motion to approve the Intent of Award IFB #GHURA-COCC-021-003, Metrolan Connectivity/Internet/Telecom Bundle Services. Commissioner Pereda seconded the motion. There were no objections. The motion was passed.**

- 4. Intent of Award IFB#GHURA-01-11-2021-TRAN; Up-grade of Kitchen & Bathroom on 8 Units at Guma Trankilidad in Tumon-Phase IV- COMPLETED ON FEBRUARY 26, 2021**
- 5. Intent of Award-IFB#GHURA-01-12-2021-AMPs 1, 2, 3, & 4; Renovation of (11) Eleven Public housing Units at various AMPs- COMPLETED ON FEBRUARY 26, 2021**
- 6. Resolution FY2021-008 approving the above-step recruitment for the Deputy Controller position. COMPLETED ON FEBRUARY 26, 2021**
- 7. Resolution FY2021-009 approving the above-step recruitment for the Accountant II Position. COMPLETED ON FEBRUARY 26, 2021**

## **V. OLD BUSINESS**

### **1. Resolution FY2021-006 (A)**

**Resolution to approve the transfer of ownership of Lot 7, Block 9, Tract 2025, Phase 2B-1, Asan to Guam Waterworks Authority (GWA) for the purpose of rehabilitating and maintaining the Asan Springs Water Supply Facility to provide safe drinking water to the residents of Asan and Piti. (REF: Resolution FY2021-006, MINUTE #131/20 & 132/20)**

**[037/21] Director Topasna deferred the presentation to Ms. Katherine Taitano to talk more on the differences between the two resolutions. Ms. Taitano stated that the only changes made to the amended resolution was the language that included that the property be reverted back to GHURA should Guam Waterworks Authority no longer require the property for the intended purposes of serving the community.**

There were no further discussions.

[038/21] Vice Chairwoman Guzman made a motion to approve Resolution FY2021- 006 (A) to approve the transfer of ownership of Lot 7, Block 9, Tract 2025, Phase 2B-1, Asan to Guam Waterworks Authority (GWA). Commissioner Pereda seconded the motion. There were no objections. The motion was approved.

## **VI. GENERAL DISCUSSION / ANNOUNCEMENTS**

[039/21] Next proposed scheduled Board Meeting: Friday, March 26, 2020 at 12:00 P.M.

There were no objections to the next BOC meeting date and time.

## **VII. EXECUTIVE SESSION**

[040/21] Chairman Flores made a motion to recess the regularly scheduled board meeting to go into Executive Session. Vice Chairwoman Guzman seconded the motion. There were no objections. The motion was passed. Chairman Flores reminded all the participants of the regularly scheduled board meeting that upon the conclusion of the Executive Session, he would resume the regularly scheduled board meeting simply to adjourn the March 4, 2021 meeting.

## **VII. ADJOURNMENT**

[041/21] With no further discussions, Vice Chairwoman Guzman moved to adjourn. Commissioner Pereda seconded the motion. There were no objections. Motion passed at 1:08PM.

**SEAL**

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**RAY S. TOPASNA**  
**Board Secretary / Executive Director**

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY  
BOARD OF COMMISSIONERS**

**RESOLUTION NO. FY2021-010**

**MOVED BY:** \_\_\_\_\_ **SECONDED BY:** \_\_\_\_\_

**RESOLUTION REQUESTING AN ADDITIONAL HOUSING SPECIALIST POSITION IN THE PUBLIC HOUSING - AMP#3**

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

**WHEREAS**, the Board of Commissioners of GHURA is empowered to employ officers, technical experts, agents and employees, permanent and temporary, as it may deem necessary to carry out the responsibilities of the Authority and is subject to the New Uniform Position Classification and Salary Administration Plan of the Authority; and

**WHEREAS**, management at PH-AMP3 is requesting the Board of Commissioners to approve an additional Housing Specialist position (classified limited term); and

**WHEREAS**, the additional Housing Specialist position is needed to:

1. **Relieve an excessive workload for AMP3's Housing Specialist**, who is responsible for:
  - Tenant move-ins (including lease signing).
  - Ensuring the tenant file documentation is complete and complies with HUD/Auditor's standards.
  - Preparing, packaging, and delivery of Tenant's Annual Recertification letters and/or adjustments.
  - Responding to, and/or investigating tenant's complaints.
  - Corresponding and consulting with other agencies and NGOs regarding tenants (i.e., DOE - Head Start Program, Child Protective Services, Guam Behavioral Health and Wellness Center, Guam Police Department, and/or respective Mayor's offices).
  - Escorting maintenance workers to units for service calls with difficult or aggressive tenants.
  - Responding to units for emergencies and/or life-threatening matters such as, violence, fire, indecent exposure, criminal activity, child abandonment and other related issues.
  - Providing guidance and instruction to the Interviewer Clerk, Maintenance Workers, and Data Control Clerk.

- Counseling tenants regarding lease violations and/or behavior of household members.
- Preparing and issuance of written citations where applicable.
- Responding to inquiries from Upper Management and Division Supervisors regarding current tenants and/or applicants.
- Conducting unit inspections for Annual Recertifications, re-inspections for housekeeping violations, and Special inspections for reports of unauthorized persons in unit, anonymous reports of criminal, suspicious, and/or fraudulent activity.

**2. Result in fewer audit findings with a goal to improve file integrity.**

**WHEREAS**, the Board of Commissioners wishes to support Executive Management and AMP3’s need for the additional Housing Specialist position; and

**WHEREAS**, the Board of Commissioners now wishes to approve a new Housing Specialist position at PH-AMP3;

**WHEREAS**, the funding for this position is available under AMP3 Funds; and now therefore be it

**RESOLVED**, that the classification rate for said position is established at **Pay Range “LG3”, Step 1 (A), \$32,856.00 per annum** in conformance with the Civil Service Commission’s wage structure and that they are entitled to the benefits provided by **GHURA** to its employees, which include retirement benefits, group insurance (Health and Life), worker’s compensation, annual leave and sick leave benefits.

**IN A SCHEDULED BOARD MEETING, SINAJANA, GUAM – MARCH 26, 2021  
PASSED BY THE FOLLOWING VOTES:**

**AYES:**

**NAYES:**

**ABSENT:**

**ABSTAINED:**

I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted by the Guam Housing and Urban Renewal Board of Commissioners on **March 26, 2021.**

**( S E A L )**

\_\_\_\_\_  
**RAY S. TOPASNA**  
Secretary/Executive Director



# DRAFT

## RESOLUTION

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY AUTHORIZING PARTICIPATION IN THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 108 LOAN GUARANTEE PROGRAM; AUTHORIZING A LOAN FROM THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO THE LEARNING INSTITUTE IN THE PRINCIPAL AMOUNT OF TWELVE MILLION DOLLARS (\$12,000,000) FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW EDUCATIONAL CAMPUS FOR THE iLEARN ACADEMY CHARTER SCHOOL; AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY TO TAKE ALL ACTIONS NECESSARY TO ACCOMPLISH THE UNDERTAKINGS IN CONNECTION, THEREWITH, INCLUDING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS CONTEMPLATED THEREBY.**

**WHEREAS**, the Guam Housing and Urban Renewal Authority (“GHURA”) has applied to the United States Department of Housing and Urban Development (“HUD”) for Federal assistance in funding the construction of a new educational campus which will be owned by The Learning Institute, a Guam nonprofit corporation (“TLI”), which will be leased to the iLearn Academy Charter School, for use as a technology-centric K-5 charter school in Dededo, Guam (the “Project”); and

**WHEREAS**, HUD has determined that a portion of the costs of the Project are eligible for financial assistance pursuant to Section 108 of Title 1 of the Housing and Community Development Act of 1974, as amended, (the “Act”); and

**WHEREAS**, pursuant to the Act, GHURA and the Government of Guam will enter into a Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §5308 (the “Contract”) with the Secretary of HUD; and

**WHEREAS**, pursuant to the Contract, HUD will loan \$12,000,000 to GHURA (the “Section 108 Loan”) from which all of proceeds will be loaned to TLI (the “TLI Loan”) for the purpose of acquiring, constructing and equipping the Project; and

# DRAFT

**WHEREAS**, the terms and conditions of the TLI Loan are set forth in a Loan Agreement between GHURA and TLI (the “TLI Loan Agreement; and

**WHEREAS**, HUD requires GHURA to select a qualified financial institution or institutions to act as a depository of funds and custodian of documents required under the Contract, and GHURA has initially selected the Bank of Guam (the “Depository”); and

**WHEREAS**, it is necessary in connection with the Section 108 Loan and the TLI Loan to authorize certain documents and actions in connection with the financing of the Project, including but not limited to forms of the following documents: (together with the Contract and the TLI Agreement collectively referred to as the “Financing Documents”):

<b><u>Document</u></b>	<b><u>Other Parties</u></b>
Variable/Fixed Rate Note (the “HUD Note”)	None
Deposit Account Control Agreement	HUD, Depository
Section 108 Guaranteed Loan Custodial Agreement	Depository
Letter Agreement For Section 108 Loan Guarantee Program Deposit Account	Depository
Letter Agreement For Section 108 Loan Guarantee Program Investment Account	Depository
Construction Monitoring and Disbursement Agreement	TLI, Bank of Guam
Subrecipient Agreement	Government of Guam
Subrecipient Agreement	TLI
Intercreditor Agreement	TLI, _____

**WHEREAS**, pursuant to 12GCA §5101 *et seq.*, (the “Authorizing Legislation”) GHURA is empowered and authorized to borrow money, and accept other forms of financial assistance from or through the facilities or guarantees of the Federal Government, and may accept, and shall comply with such conditions as the Federal Government may impose upon or attach to its financial aid; and

**WHEREAS**, the Board of Commissioners of GHURA desire to adopt this Resolution authorizing GHURA to enter into the Section 108 Loan and the TLI Loan and execute and deliver the Financing Documents and other documents necessary to complete these transactions; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Guam Housing and Urban Renewal Authority, as follows:

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**Section 1.** Pursuant to the Authorizing Legislation, the Board of Commissioners of GHURA hereby finds and determines that the Project to be financed with the proceeds of the Section 108 Loan and the TLI Loan is consistent with a program of the Federal Government for which GHURA is authorized and empowered to participate.

**Section 2.** The issuance of the HUD Note is hereby authorized and approved.

**Section 3.** To secure repayment of the HUD Note and other charges as may be authorized by the Contract, GHURA is hereby authorized to pledge as security for repayment of the HUD Note (i) all allocations or grants which have been made or for which the Government of Guam or GHURA may become eligible under Section 106 of the Act, as well as any grants which are or may become available to GHURA pursuant to Section 108(q) of the Act; (ii) Program income, as defined at 24 CFR 570.500(a) (or any successor regulation), directly generated from the use of the Guaranteed Loan Funds, as defined in the Contract; (iii) other security as described in paragraph 15, *et seq.* of the Contract; (iv) all proceeds (including insurance and condemnation proceeds) from any of the foregoing; and (v) any and all rights, titles, and interests of GHURA in and to the accounts established pursuant to paragraphs 1 and 6 of the Contract and further described in the Deposit Account Control Agreement entered into by GHURA, the Depository, and the Secretary of HUD incorporated into the Contract, and all funds or investments in the accounts established pursuant to paragraphs 1 and 6 of the Contract.

**Section 4.** To prescribe the terms and conditions upon which the HUD Note is to be executed, authenticated, delivered, issued, accepted, held, and secured, the Executive Director is hereby authorized and directed to execute the Contract, Financing Documents, and other documents necessary to complete the loan transactions discussed herein, subject to his final review and approval.

**Section 5.** The Executive Director is hereby authorized and directed to execute all documents necessary to open and maintain depository accounts and custodial arrangements with the Depository as may be required by the Contract.

**Section 6.** The Executive Director, for and on behalf of GHURA, is individually hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the

# DRAFT

Contract, HUD Note and TLI Loan Agreement; the execution and delivery of such other papers and documents necessary to effect the issuance of the HUD Note; and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution. The Executive Director is hereby further authorized and directed, for and on behalf of GHURA, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

**PASSED AND APPROVED** this \_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Chairman

**ATTEST:**

\_\_\_\_\_  
Secretary

**Briefing Paper for Board of Commissioners  
Low Income Tax Credit Program  
26 March 2021**

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**Overview**

The Low-Income Housing Tax Credit (LIHTC) Program is a program established by the IRS under the Tax Reform Act of 1986. It serves as a tax incentive program for private developers to construct or rehabilitate affordable rental housing for low-income households. GHURA is Guam's designated State Housing Finance Agency (SHFA), the agency to administer the LIHTC program and administer tax credit allocations. While the LIHTC Program has been in existence since 1986, GHURA's first participation was in 2005. Well over 1,000 affordable rental units have been placed in service to this day.

**LIHTC Process**

The annual competitive application process starts with the **Qualified Allocation Plan (QAP)** which serves (2) two purposes:

- (1) Sets the criteria to evaluate and allocate tax credits to a project(s) which best meet the rental housing needs of Guam (housing for special needs groups, project locations, energy efficiency, affordability periods, et al.) *Points are assigned to each criterion and each applicant requests points while providing justification, thus making it a competitive process.*
- (2) Establishes the procedure to monitor for compliance with the provisions of the LIHTC Program.

From time-to-time, GHURA has identified certain Special Criteria included in prior LIHTC QAP/Application cycles:

- 1 to 2 Bedroom Units for individuals/smaller families
- 3 to 4 Bedroom Units for larger families
- Affordable units for Elderly

The draft QAP is presented to the Board for their review prior to the start of a public comment period. Once comments have been received and considered, a final QAP & Application are issued. Interested developers are given a period of months to submit their applications. After submission, applications are evaluated by a panel consisting of both GHURA personnel and public, private or nonprofit representatives of entities who have interests or work with low-income populations. (Past panels have included representatives of Habitat for Humanity, the University of Guam, Government economists, statisticians, and agency senior staff.) When evaluations conclude, a report is prepared for the Board of Commissioners for selection and approval of projects proposed. Lastly, GHURA management and staff complete the necessary steps to execute the award of LIHTC credits before the end of the year.

**2021 LIHTC Application**

Tax Credit Allocation:	\$6,660,957.00
Points to be awarded:	120 points
Minimum Score for award:	84 points

## 2021 LIHTC Summary of Changes

Below are the proposed changes for the 2021 LIHTC QAP. All changes are subject to approval by the GHURA Board of Commissioners and may advise on any recommendations.

Change No. 1	Description
Page Number/Heading/Paragraph	p.3/Introduction/4 <sup>th</sup> paragraph
Proposed Change/Recommendation	Insert following: <i>Although forward commitments of future allocation funds are permitted, those commitments are subject to approval from the GHURA Board of Commissioners and are not guaranteed.</i>
Reason for change	The change would clarify that only Board-approved applicants at the time of request for forward commitment or future allocation of LIHTC credits would be entertained for funding. The dedication of future awards or the forward commitment of funds are not guaranteed for any applicant. Commitment of additional funds to an applicant after an initial allocation is subject to approval of the GHURA Board of Commissioners.
GHURA Board of Commissioners Recommendations/Notes:	

Change No. 2	Description
Page Number/Heading/Paragraph	p.5/A. 9% Credits Set Aside:
Proposed Change/Recommendation	Inserted details for the following: <i>a.) Construction of a New Building</i> <i>b.) Rehabilitation of an Existing Building used for housing</i> <i>c.) Acquisition/Rehabilitation of Existing Building not used for housing</i> <i>d.)GHURA shall limit awards of 9% (volume cap) LIHTC</i>
Reason for change	In prior QAP's, New Construction/Rehabilitation headings were very general with no explanation. These proposed details reference what the Section 42 of the IRC states in regards to those items and also adds the provision of (d) limiting the 9% volume cap to no more than one (1) project per calendar year with IRC reference.
GHURA Board of Commissioners Recommendations/Notes:	

Change No. 3	Description
Page Number/Heading/Paragraph	p.6/B. Income Averaging Set Aside
Proposed Change/Recommendation	<p>Inserted the following:  <i>The Consolidated Appropriations of 2018 established a new income averaging set aside for LIHTC developments. (Please refer to Appendix 1 for income average guidelines.)</i></p>
Reason for change	<p>As mandated by the IRS in 2018, a new set-aside must be included in future QAP's. GHURA is conforming to the IRS requirement, so this set-aside will be implemented, however, more details will be included in the latter part of the QAP.</p>
GHURA Board of Commissioners Recommendations/Notes:	<hr/> <hr/> <hr/>

Change No. 4	Description
Page Number/Heading/Paragraph	pp.6-7/Public Housing Waitlist/Homeless Services Programs
Proposed Change/Recommendation	<p>Inserted the following:  <i>Applicant shall certify that all low-income units will be made available to people on the waiting list for public housing and/or acceptable homeless service programs. The following shall be submitted with the application:</i></p> <p><i>a) Copy of the letter submitted to the local public housing authority which administers the public housing waiting list that units will be available.</i></p> <p><i>b) Copy of the letter submitted to the Guam Homeless Coalition that provides services and programs to the homeless notifying them that units will be available.</i></p>
Reason for change	<p>In prior QAP's, applicants were to notify only the Public Housing Waitlist authority that LIHTC units are made available. The new change would require that the awarded LIHTC project also reach out to those administering homeless services programs as LIHTC units and prior projects are meant for the general public who qualify by income and in the past have not reached out to the homeless services programs. This change will ensure that homeless services programs will be notified of any LIHTC units available for their clients that may qualify.</p>
GHURA Board of Commissioners Recommendations/Notes:	<hr/> <hr/> <hr/>

Change No. 5	Description
Page Number/Heading/Paragraph	p.7/Minimum Affordability Period
Proposed Change/Recommendation	Inserted the following: <i>a) Applicants requesting an award of 9% LIHTC must commit to a minimum affordability period of 45 years</i>
Reason for change	In prior QAP's, Minimum Affordability Period was not a participation element. By ensuring that this item falls within the participation element of the QAP, this will allow for projects to create affordable units for a longer period and to ensure the quality of the units is maintained under LIHTC compliance monitoring standards. Some of Guam's earlier LIHTC projects have a minimum affordability period of 15 years and other jurisdictions have incorporated this into their plans.
GHURA Board of Commissioners Recommendations/Notes:	_____ _____ _____

Change No. 6	Description
Page Number/Heading/Paragraph	pp.11-12/Criteria 7/Project location and housing needs characteristics
Proposed Change/Recommendation	Additional (4) points are given for the following the following: <i>Employment opportunities, schools, medical facilities located in the immediate vicinity of the project (2 Points)</i> <i>Recreational facilities, shopping facilities, located in the immediate vicinity of the project (2 Points)</i>
Reason for change	By adding these housing needs characteristics, this will ensure that the project is not only affordable but that they are within areas that are appealing and accessible for the residents. The lack of reliable transportation may be an issue for some LMI families so having these facilities and opportunities nearby does offer some convenience.
GHURA Board of Commissioners Recommendations/Notes:	_____ _____ _____

Change No. 7	Description
Page Number/Heading/Paragraph	pp.17/Criteria 17/Public Housing Waiting List/Homeless Services Programs
Proposed Change/Recommendation	The addition is to include the Homeless Services Programs
Reason for change	Homeless services programs were not notified of LIHTC units in the past. So this item was added to ensure that those that administer homeless service programs are aware that LIHTC units will be made available to their clients.



GHURA Board of Commissioners Recommendations/Notes:	<hr/> <hr/> <hr/>
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Change No. 8	Description
Page Number/Heading/Paragraph	p.20/Good Faith Deposit
Proposed Change/Recommendation	Included the following: <i>Failure to meet any of the elections made in the scoring criteria, participation elements, or requests for additional credits at the time of application may result in the retention of the entire good faith deposit by GHURA.</i>
Reason for change	GHURA assesses a Good Faith Deposit to ensure that specific items are met including the Selection Criteria within the projects application; however, there are instances wherein a request for additional credits comes during the application process often leading to a change in the budget, developer fee, and/or proforma documentation. To ensure the project meets the specifics mentioned in their initial application, this provision is added so they may not deviate from their original intent for the project.
GHURA Board of Commissioners Recommendations/Notes:	<hr/> <hr/> <hr/>

Change No. 9	Description
Page Number/Heading/Paragraph	p.22/Set Aside
Proposed Change/Recommendation	Included the following: 3. <i>Election of income averaging for new LIHTC developments where LIHTC Qualified Units (Units) may serve households earning up to 80% of the Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. See Appendix 1 for further guidance.</i>
Reason for change	IRS mandates all LIHTC proposals after 2018 are aware of the new set-aside that may be utilized and to include it in all application processes. <b>(Please note Appendix 1 on p.31 goes into detail for the Income Average Set Aside)</b>
GHURA Board of Commissioners Recommendations/Notes:	<hr/> <hr/> <hr/>

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# Guam 2021 Low-Income Housing Tax Credit Qualified Allocation Plan

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Guam Housing and Urban Renewal Authority

Pending Approval by GHURA BOC

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

# DRAFT

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**GOVERNMENT OF GUAM**  
**LOW-INCOME HOUSING TAX CREDIT PROGRAM**  
**2021 QUALIFIED ALLOCATION PLAN**

**I. Introduction**

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

GHURA developed this Qualified Allocation Plan (QAP) which sets forth (1) the criteria to evaluate and allocate tax credits to projects which best meet the housing needs of Guam, and (2) the procedure to monitor for compliance with the provisions of the LIHTC Program.

**This allocation plan shall be effective for LIHTC reservations and awards in calendar year 2021. The QAP is subject to amendment by the GHURA Board of Commissioners.**

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. The ranking of projects, along with all other relevant data, will determine the priorities to be followed by GHURA in allocating tax credits to the projects under consideration. The scores derived from the point system will be a component of the overall evaluation, and not the sole determining factor for the awarding of tax credits. In addition to the scores derived, GHURA will review all relevant data required in the application. GHURA retains the option to approve or reject applications based on GHURA’s assessment of Guam’s housing needs during the period covered by the QAP. Projects selected under this QAP shall be evaluated as to the minimum amount of tax credits required in order to make the project feasible.

Guam’s 2021 tax credit allocation total is \$6,660,957 (\$3,217,500 issued on November 18, 2019 under Rev. Proc. 2019-44 for the 2020 allocation period, \$3,245,625 issued on October 26, 2020 under Rev. Proc. 2020-45 for the 2021 allocation period plus remaining tax credits from 2019 allocation period in the amount of \$197,832). Applicants seeking housing credit allocations in excess of the 2021 total must demonstrate the financial capability to complete the project or show that the project can be scaled to fit the available 2021 funding. Although forward commitments of future allocation funds are permitted, those commitments are subject to approval by the GHURA Board of Commissioners and are not guaranteed. GHURA supports and encourages applicants to consider the merits of mixed financing in pursuit of sustainable affordable development.

## II. Application Process

Applications for the LIHTC are available at GHURA's website at [www.ghura.org](http://www.ghura.org) or by submitting a written request to GHURA at the address shown below.

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

Applications for tax credits should be submitted to GHURA by no later than **5:00 p.m., Friday, July 30, 2021**. GHURA shall have the right to defer the consideration of any application if such deferral is deemed in the best interests of meeting housing needs.

GHURA reserves the right to reject any and all applications that fail to comply with the requirements of the QAP. GHURA further reserves the right to waive minor informalities and/or minor irregularities in any application at its discretion.

Application forms provided by GHURA must bear original signatures where signatures are required. Photocopies of supporting documents will be accepted. Applications should be computer-generated or typed. Handwritten applications are prohibited. Applications should have content, formatting and pagination identical to that of the 2021 Application Form provided by GHURA. It should have no missing information or any information that is erroneous, incomplete or inconsistent. All attachments and supporting documentation required must be included in the Application package.

GHURA shall review the application and supporting documents to ensure that it is complete and contains all required information. Complete applications shall then be evaluated in accordance with the QAP to determine the project's rank in relation to other projects under evaluation. Projects must meet a minimum score of 84 out of 120 to be evaluated to determine the minimum amount of tax credits required to make the project feasible. Projects with a score of 83 or less shall not be considered for award or reservation. The amount of tax credits reserved or allocated to a particular project will be limited to the amount GHURA, in its sole discretion, deems necessary to make the project feasible.

The QAP will utilize a point system to rank projects based upon the evaluation criteria established. In addition to the scores derived, GHURA will review all relevant data required in the application which include, but are not limited to, the applicant's financial statements, experience in producing low-income housing units, reasonableness of development and operating budgets, and an independent market study in awarding the tax credits. If GHURA determines clarification is required, applicant will be notified via written notice. Applicant

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will be given 5 business days from the date of the notice to provide the information to GHURA.

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

### **III. Minimum Threshold**

It is GHURA's intent to maximize the use of the Territory's limited resources to address the substantial need for rental homes that are accessible and affordable to Guam's low-income households. Emphasis is placed on serving lower income people and on efficiently leveraging LIHTCs and other financing resources to increase and sustain the supply of affordable rentals in communities that are suitable for such development.

#### **A. 9% Credits Set Aside:**

- 1) Applicants are advised that the agency will administer 9% LIHTC credits only to be used for the following:
  - a. Construction of a New Building. The term "New Building", as defined by Section 42 of the IRC, is "a building the original use of which begins with the taxpayer." Rehabilitation of existing inventory but excluding acquisition costs of real estate, buildings, and depreciable assets from eligible basis (no acquisition LIHTC).
  - b. Rehabilitation of an Existing Building used for housing. The term "Existing Building", as defined by Section 42 of the IRC, is "any building which is not a new building". Acquisition LIHTC disallowed: Existing Buildings under this category must exclude acquisition costs of real estate, buildings, and depreciable assets from eligible basis. This category includes the conversion of Existing Buildings used for transient housing to a qualified low-income building. The conversion of Existing Buildings used for transient housing, as with all qualified low-income buildings, must: (i) meet minimum rehabilitation requirements; (ii) be suitable for occupancy; and (iii) be for use other than on a transient basis, as stipulated and defined by Section 42 of the IRC
  - c. Acquisition/Rehabilitation of an Existing Building not used for housing. To qualify under this category, housing use of the Existing Building, if applicable, cannot have occurred for a period of at least 10-years from the date of its acquisition by the taxpayer. Acquisition LIHTC allowed: Existing Buildings under this category may include acquisition costs of buildings and depreciable assets in eligible basis. The conversion of Existing Buildings not used for housing, as with all qualified low-income buildings, must: (i) meet minimum rehabilitation requirements; (ii) be suitable for occupancy; and (iii) be for use other than on a transient basis, as stipulated and defined by Section 42 of the IRC.
  - d. GHURA shall limit awards of 9% (volume cap) LIHTC to no more than one (1) project per calendar year under Section III (A) (1) (b) of the QAP.

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- 2) Project owner/applicant must be established and registered to do business in the Territory of Guam.

## **B. Income Averaging Set Aside**

The Consolidated Appropriations of 2018 established a new income averaging set aside for LIHTC developments. (Please refer to Appendix 1 for income average guidelines.)

## **C. Participation Elements**

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

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

**All lease terms must extend a minimum of five (5) years past the minimum affordability period.**

- 3) **Capital Needs Assessment** (For projects acquiring an existing property. All Units need to be reviewed.)

To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the compliance and additional use period (collectively the Extended Use Period). A capital needs assessment of the property by a competent third party shall be submitted with the application. A capital needs assessment is a qualified professional's opinion of a property's current physical condition. It identifies deferred maintenance, physical needs and deficiencies, and material building code violations that affect the property's use, structural and mechanical integrity, and future physical and financial needs. The Capital Needs Assessment shall identify any work that must be completed immediately to address health and safety issues, violation of Federal or local law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

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## 4) **Public Housing Waitlist/Homeless Services Programs**

Applicant shall certify that all low-income units will be made available to people on the waiting list for public housing, and/or acceptable homeless service programs. The following shall be submitted with the application:

- a) Copy of the letter submitted to the local public housing authority which administers the public housing waiting lists that units will be available.
- b) Copy of the letter submitted to the Guam Homeless Coalition that provides services and programs to participating homeless services providers that units will be available.

## 5) **Smoke Free**

All projects will be smoke free. Owners must prohibit smoking in all indoor common areas, individual living areas (including balconies and car ports), and within 20 feet of building entries or ventilation intakes. A non-smoking clause must be included in the lease for each household.

## 6) **Debt Service Ratio**

### a) **Hard Debt Service:**

- i) Defined as scheduled regular and periodic principal and/or interest payments of project loan obligations made for its direct benefit, as evidenced by a note and loan agreement.
- ii) The Applicant is required to support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets on the Application.

### b) **Underwriting Criteria:**

- i) The Project shall evidence compliance with this section through the operating Proforma on the application.

## 7) **Phase I Environmental Assessment**

Required for all applications.

For acquisition/rehabilitation projects (if applicable), the Phase I Environmental Assessment should address lead based paint and asbestos.

## 8) **Proof of Non-Profit Status**

If applying under the Federal non-profit set aside, submit the following:

- a. Articles of Incorporation
- b. Copy of current 501(c)(3) IRS Tax Exemption Letter

## 9) **Minimum Affordability Period**

- a) Applicants requesting an award of 9% LIHTC must commit to a minimum affordability period of 45 years

## IV. **Selection Criteria Point System**



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

Application must have a **minimum score of 84 out of 120 points to be considered for award.**

	<b>CRITERIA</b>	<b>POINTS</b>
1	Project will provide low-income units for a longer period than is required under Section 42 of the Internal Revenue Code.	0 to 6
2	Project will provide a greater percentage of low-income units than required under Section 42 of the Internal Revenue Code.	2 to 8
3	Project's federal tax credit/low-income rental unit ratio for LIHTC Resource Efficiency Use	0 to 7
4	Project will serve tenant populations of individuals with children.	0 or 3
5	Project will serve tenant populations with special housing needs.	0 or 1
6	Qualified Non-Profit Organization	0 to 4
7	Project location and housing needs characteristics	0 to 20
8	Developer experience	0 to 8
9	Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan	0 to 2
10	Replacement of existing public housing units	0 to 1
11	Total Project Cost Percentage	0 to 10
12	Project will receive project-based rental assistance	0 to 5
13	Local/Federal Government Support	0 to 2
14	Projects intended for eventual tenant ownership	0 to 2
15	Green Building / Energy Efficiency	2 to 12
16	Historic nature of the project	0 to 1
17	Public Housing Waiting List	0 to 3
18	Project Reasonableness	0 to 18
19	Developer Fee	0 to 7

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**Criteria 1.** (0-6 Points)

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

Applicants electing to commit to an Extended Use Period inclusion of the 15-year LIHTC compliance period will be awarded points based on the table below. By making this election, the applicant elects to waive its right to exercise a request for a qualified contract pursuant to Section 42(h)(6)(E)(i)(II). The elections will be recorded in the Restrictive Covenant Document. Points will be awarded based on the following:

<b>Extended Use Period</b>	<b>Points Available</b>
15 year compliance period plus 46 years or more	6 Points
15 year compliance period plus 30 to 45 years	4 Points
15 year compliance period plus 16 to 29 years	2 Points
15 year compliance period plus 0 to 15 years	0 Point

**Criteria 2.** (2-8 Points)

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

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

<b>Description</b>	<b>Points Available</b>
40% of the project to households earning 60% or less of AMGI, and 60% of the project to households earning 50% or less of AMGI	2 Points
60% of the project to households earning 60% or less of AMGI, or 80% of the project to households earning 50% of less of AMGI.	4 Points
100% of the project to households earning 60% or less of AMGI	8 Points

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**Criteria 3.** (0-7 Points)

Project's federal tax credit/low-income rental unit ratio for LIHTC Resource Efficiency

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

Greater than	Less than	Points Available
\$45,999.00		0
\$41,999.00	\$45,999.00	1
\$37,999.00	\$41,999.00	3
\$33,999.00	\$37,999.00	4
\$29,999.00	\$33,999.00	6
	\$29,999.00	7

**Criteria 4.** (0 or 3 points)

Project will serve tenant populations of individuals with children.

The Project will serve tenant populations of individuals with children for at least 60% of all low-income housing units. The Project should provide evidence through the service of programs for children.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	3 Points

**Criteria 5.** (0 or 1 point)

Project will serve tenant populations with special housing needs.

	Points Available
<p>Special needs. Special needs groups are "persons for whom social problems [including homelessness], age or physical or mental disabilities impair their ability to live independently and for whom such ability can be improved by more suitable housing conditions."</p> <p>Projects may receive 1 point for this criterion if it commits to the following:</p> <p>The project will set-aside at least 20% of all units for tenant populations with special housing needs. Persons with special housing needs may include the physically and mentally disabled. Units intended to serve the homeless must be used as permanent supportive housing, as regulation forbids the use of LIHTC projects as transient homeless shelters. To receive consideration for this criterion:</p>	1 Point

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<p><i>i) The project must commit to provide case management or services specific to this population or special facilities to accommodate the physically disabled. (Please provide details of the services and/or special facilities)</i></p> <p><i>ii) The Market Study shall specifically address the housing needs for the special needs group.</i></p>	
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**Criteria 6.** (0-4 Points)

**Qualified Non-profit Organization**

An interest in the Project is owned by a qualified non-profit organization as defined in Section 42(h)(5)(B), (C) of the Internal Revenue Code.

	<b>Points Available</b>
If the answer to the question is NO	0 Points
<p>If the answer to the question is YES, the organization must be a qualified non-profit organization at time of application submission. Organization must exist in and be qualified to do business in Guam. According to IRC Section 42(h)(5)(C), qualified non-profit organization:</p> <ul style="list-style-type: none"> <li>a) must "...own an interest in the project (directly or through a partnership) and materially participate (within the meaning of section 469(h)) in the development and operation of the project throughout the compliance period";</li> <li>b) "...is described in paragraph (3) and (4) of section 501(c) and is exempt from tax under section 501(a)";</li> <li>c) "...is determined by the State housing credit agency not to be affiliated with or controlled by a for-profit organization"; and</li> <li>d) "one of the exempt purposes of such organization includes the fostering of low-income housing."</li> </ul> <p>Documents to show proof of qualified non-profit organization should be submitted with application.</p>	4 Points

**Criteria 7.** (0-20 Points)

**Project location and housing needs characteristics**

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

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Market Study requirements are specified in Appendix 2.

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

Description	Points Available
Employment opportunities, schools, medical facilities located in the immediate vicinity of the project site	2 Points
Recreational facilities, shopping facilities, located in the immediate vicinity of the project site	2 Points
Documented/supported market demand.	10 Points
Proposed rental rates are below market rents for the immediate surrounding area.	
Housing characteristics (e.g., design, density) appropriate for neighborhood.	
Impact to the existing public systems of education, public safety, and utilities infrastructure.	
Neighborhood conducive to family use.	

Additional points will be awarded to projects located in the following areas:

Project Location	Points Available
Northern Region: Dededo, Tamuning, or Yigo	1 Points
Central Region: Agana Heights, Asan, Barrigada, Chalan Pago/Ordot, Hagåtña, Mangilao, Mongmong/Toto/Maite, Piti, or Sinajana	3 Points
Southern Region: Agat, Inarajan, Merizo, Santa Rita, Talofoto, or Umatac	6 Points

**Criteria 8.** (0 to 8 Points)

Developer experience

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

Description	Points Available
Developer (or any member/staff of the development team) has a record of successfully completing LIHTC projects or projects on a scale equal to or greater than that of the proposed project and in accordance with the original project schedule.	8 Points
Developer (or any member/staff of the development team) has a record of successfully completing LIHTC projects or similar projects but on a scale smaller than the proposed project.	5 Points

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Developer (including general partners, affiliates, and members/staff of development team) has a history of chronic and/or substantive noncompliance and/or failed to meet the requirements of the Low Income Housing Tax Credits Program for previous projects or failed in meeting the objectives of the program on past proposals.	1 Point
Developer has no experience in completing LIHTC projects or projects on a similar or lesser scale than the proposed project.	0 Points

**Criteria 9.** (0-2 Points)

Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan

Project is located in Qualified Census Tract. The project will redevelop existing housing, which contributes to a concerted community revitalization plan as determined by GHURA.

Description	Points Available
The project is located in a Qualified Census Tract.	1 Point
The project will contribute to a community revitalization plan. (Copy of the plan to be submitted with the completed Application for GHURA’s review to claim the point.)	1 Point
The project is neither located in a Qualified Census Tract nor contributing to a community revitalization plan.	0 Points

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

**Criteria 10.** (0-1 Point)

Replacement of existing public housing units

Project includes the development of new housing to replace existing public housing units.

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	1 Point

To receive consideration for this criterion, the applicant must provide a letter of interest or a binding agreement from the local administering Public Housing Authority to participate in a HUD-approved activity.

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**Criteria 11.** (0 to 10 Points)  
Total Project Cost Percentage

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

Description	Points Available
Greater than 80% of total project cost	0 Points
71 % through 80% of total project cost	1 Point
61 % through 70% of total project cost	2 Points
51 % through 60% of total project cost	4 Points
41 % through 50% of total project cost	6 Points
40% or less of total project cost	10 Points

**Criteria 12.** (0-5 Points)

Project will receive project-based rental assistance.

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

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES  If the whole project has a secured authorization for project-based subsidies then 5 points are awarded. If only a portion of a project has project based subsidies, then the scoring will be adjusted based upon the percentage of units subsidized. The percentage is derived as "Number of Subsidized Units / Tax credit and non-tax credit subsidized units," provided they are developed simultaneously.	5 Points

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**Criteria 13.** (0-2 Points)

Local/Federal Government Support

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

Description	Points Available
(i) The project has not applied for a below market loan or grant from a federal agency or Government of Guam agency, or if the total amount applied for is less than 10% of total development costs.	0 Points
(ii) The project has applied for a below market loan or grant from a federal agency or Government of Guam agency. Documentation must provide evidence that an application for financing has been submitted.	1 Point
(iii) The project has received a commitment from a federal agency or Government of Guam agency. A copy of a commitment letter or contractual agreement must be included in the application.	2 Points

**Criteria 14.** (0-2 Points)

Projects intended for eventual tenant ownership

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

	Points Available
If the answer to the question is NO	0 Points
If the answer to the question is YES	2 Points

Projects will offer tenants the opportunity for home ownership. The applicant will offer tenants a Right of First Refusal to acquire the property in accordance with Section 42(i)(7) of the Internal Revenue Code. **The applicant must provide a plan discussing how the project will offer the units for homeownership to tenants.**



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## **Criteria 15.** (2-12 Points)

### Green Building / Energy Efficiency

Projects should use energy-efficient practices that promote resource conservation. In addition, all project units **must be individually metered.**

	<b>Points Available</b>
Projects that elect to be LEED certified and include all (8) eight of the features listed below	12 Points
Projects that elect to be LEED certified only	10 Points
Projects that elect to include all eight of the features listed below	8 Points
Projects that elect to include fewer than eight of the features listed below	6 Points
Projects that elect to include fewer than six of the features listed below	4 Points
Projects that elect fewer than four of the features listed below	2 Points

#### Required features:

1. Installation of solar thermal, tank less, or tank-type water heaters that meet ENERGY STAR standards.
2. Installation of water conserving plumbing fixtures: water sense high efficiency toilets (less than 1.28 gallons per flush), showerheads with rated flow less than 1.75 gallons per minute (gpm), kitchen aerators with rated flow less than 1.5 gpm, and bathroom aerators with rated flow less than 1.0 gpm.
3. Installation of five or more ENERGY STAR qualified light fixtures, ceiling fans equipped with lighting fixtures, and/or ventilation fans in each unit.
4. Installation of photo sensors or timers on all outdoor lighting and ENERGY STAR or high-efficiency commercial grade lighting fixtures (T8) in all common areas.
5. Installation of ENERGY STAR appliances including refrigerators, dishwashers, and clothes washers (horizontal axis) in each unit.
6. Reducing heat effects by using ENERGY STAR low emissive roofing products for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area. Reduce asphalt surface areas and use low emissive pavement coatings and materials for at least 25% of paved surfaces.
7. Provide an easily accessible area dedicated to recycling (at a minimum) newspaper, corrugated cardboard, glass bottles and jars, aluminum cans, and plastic containers (#1 and #2).
8. Equip with “Grid-tied Solar Power System” panels that are to be under warranty for no less than 12 years.

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

**Criteria 16.** (0-1 Points)

Historic Nature of the Project

The proposed project will preserve the historic nature of an existing building.

The proposed project involves the preservation of a building(s) on a national or state historic registry.

	<b>Points Available</b>
If the answer to the question is NO	0 Points
If the answer to the question is YES	1 Point

**Criteria 17.** (0-3 Points)

Public Housing Waiting List/Homeless Services Programs

The applicant demonstrates that all low-income units will be made available to people on the waiting list for low-income public housing and/or acceptable homeless shelter programs.

**Copies of notices of LIHTC unit availability to the public housing agency and/or homeless shelter programs should be included in the application.**

	<b>Points Available</b>
If the answer to the question is NO	0 Points
If the answer to the question is YES	3 Points

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**Criteria 18.** (0 to 18 Points)

Project Reasonableness

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

Description	Points Available
Reasonableness of development costs & Feasibility of financing structure	0-5 Points
Operational feasibility (for example, unreasonable operating expenses)	0-5 Points
Adequacy of Reserves including but not limited to Operating Reserve and Repair and Replacement Reserve	0-3 Points
Services and amenities provided to tenants that will enhance the livability of the project. (Please cite and narrate the services to be provided and the partners involved within the project.)	0-3 Points
Adequacy of project contingencies in the development budget	0-2 Points

**Criteria 19.** (0 to 7 Points)

Developer Fee

The applicant elects to limit the total Developer Fee as a percentage of the total development cost (excluding developer fee and reserves) as presented in the application. The Developer Fee includes total fees paid to the Developer, including, but is not limited to, consulting fees, project management fees, developer overhead, and developer fees. Architectural, Engineering, Accounting, and Legal fees are not included as the Developer Fee.

Applicants receive scores for this criterion based on the table below. Please note the different categories for New Construction vs. Acquisition / Rehabilitation applications.

New Construction		Acquisition / Rehabilitation			
		Fee on Acquisition		Fee on Rehabilitation	
Fee	Points	Fee	Points	Fee	Points
18% > Fee ≥ 16%	0	13% > Fee ≥ 11%	0	18% > Fee ≥ 16%	0
16% > Fee ≥ 14%	1	11% > Fee ≥ 9%	1	16% > Fee ≥ 14%	1
14% > Fee ≥ 12%	2	Fee < 9%	3	14% > Fee ≥ 12%	2
12% > Fee ≥ 10%	3			Fee < 9%	4
10% > Fee ≥ 8%	5				
Fee < 8%	7				

## V. Rights of GHURA

The awarding of tax credits rests solely with the GHURA Board of Commissioners. Further, GHURA retains its discretionary authority to approve or disapprove any post-award modifications to the project.

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

GHURA reserves the right, in its sole discretion, to do the following:

- (i) Hold back a portion of the annual federal housing credit ceiling for use during later reservation cycles,
- (ii) Carryover a portion of the current year's housing credit ceiling for allocation to a project which has not yet been Placed in Service, and
- (iii) Issue a reservation for the next year's housing credit ceiling.

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

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

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

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

## VI. Fees

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

### **Application Fee**

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

### **Good Faith Deposit**

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

### **Compliance Monitoring Fee**

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

### **Qualified Contract Processing Fee**

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

### **Attorney's Fees and Costs:**

In the event of a dispute or litigation regarding a QAP Agreement, the prevailing party shall be entitled to collect reasonable attorney's fees, costs, and expenses.

## VII. Compliance Monitoring Plan

### A. Summary

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

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year until required set-asides are met; and character and use of the nonresidential portion of the building that is included in the building's eligible basis, all in accordance with the rules published by the Internal Revenue Service. GHURA may perform an audit annually but at a minimum, once every three years, and shall have access to all books and records upon notice to the project owner.

Annually, owners of low-income housing tax credit projects will be required to certify to GHURA that for the previous year,

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

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

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

The guidelines outlined below in sections B through K pertain to projects allocated Low Income-Housing Tax Credits in Guam.

## **B. Compliance**

### **Owner/Manager Training**

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

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procedures and unit vacancy rules, agency reporting requirements, record retention requirements, and site visits.

## **Set Aside**

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

1. 20 percent or more of the units are occupied by tenants having a household income of 50 percent or less of the area median gross income (the "20-50 requirement"), or
2. 40 percent or more of the units in the project are occupied by tenants having a household income of 60 percent or less of the area median gross income (the "40-60 requirement").
3. Election of income averaging for new LIHTC developments where LIHTC Qualified Units (Units) may serve households earning up to 80% of the Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. See Appendix 1 for further guidance.

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

## **Rent**

Units in the project must be rent-restricted to thirty (30) percent of the imputed income limitations based on unit size as provided in Code Section 42(g)(1). This rent restriction must be maintained throughout the Term of the Compliance and Extended-use period. See 'D. Rent Restrictions' in this section for further information.

## **Term of Compliance**

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

## **Annual Certification**

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

## **Records Retention**

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

## **IRS Form 8609**

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

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

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

## **Status Reports**

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

## **C. Qualifying Households**

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

## **Unborn Children**

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

## **Student Households**

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



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## **Calculating Anticipated Tenant Income**

Owner shall qualify tenants by calculating household income using the gross income the household anticipates it will receive in the 12-month period following the effective date of the income verification or Recertification. Anticipated income should be documented in the tenant file by third party verification whenever possible, or by an acceptable alternate method of verification with documentation as to why third party verification was not available. Owner shall use current circumstances to project income, unless verification forms or other verifiable documentation indicate that an imminent change will occur. Owner shall refer to HUD Handbook 4350.3 for guidance on the proper calculation and verification of income and assets per IRC regulations.

## **Certification**

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

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

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

## **Recertification**

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

For projects with less than 100% set-aside:

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

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

Each tenant's annual recertification is to be completed within one year of last recertification. The request for recertification shall be made between 60 and 90 days

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before the effective date, and it must clearly state that the tenant has ten (10) calendar days in which to contact the owner to begin recertification processing. The notice must also state the days and hours available for the interview, the information the tenant should bring to the interview, and how and whom to contact to schedule the interview.

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

## **Past-Due Recertification**

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

## **D. Rent Restrictions**

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

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

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

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

## **E. Eviction of Tenants**

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

## **F. Audits**

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The project may be subject to a management audit by GHURA or its Authorized Delegate annually but, at a minimum, once every three years. Notification of an audit shall be given to the owner at least 30 days prior to such audit. The results of the management audit and the recommendations for corrective action to protect and maintain the project shall be transmitted to the owner within thirty (30) days following the completion of the audit.

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

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

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

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

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

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

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

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The IRC regulations allow for exception of a building from the inspection requirement if the building is financed by RHS under the section 515 program, the RHS inspects the building [under 7 CFR part 1930(C)], and the RHS and the allocating agency enter into a memorandum of understanding, or other similar arrangement, under which the RHS agrees to notify the allocating agency of the inspection results. Irrespective of the physical inspection standard selected by the allocating agency, a low-income housing project under section 42 of the Internal Revenue Code must continue to satisfy local health, safety and building codes. A memorandum of understanding has not been executed between GHURA and RHS.

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

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

## **H. Reporting Requirements**

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

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

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

## **I. Fees**

A compliance monitoring fee of up to \$100 per unit for all units within each project shall be charged annually for administrative expenses. This fee shall be submitted with the LIHTC Annual Report for each year of the compliance/extended-use period. GHURA reserves the right to adjust fees due to changing circumstances annually each January 1. It will be the responsibility of GHURA to inform the owner of any changes in the annual

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compliance fee prior to the submission of fees. The compliance monitoring fee will be effective as of the Placed in Service date for the first building.

## **J. Non-compliance Penalties**

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

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

## **K. Extended Use Period**

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

### **Effective Date**

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

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

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

### **Student Households**

As GHURA wants to ensure that properties in the extended use period are not used as dormitory housing, a modified student eligibility requirement will be enforced. During the extended use period, a household comprised entirely of full time students will qualify as long as at least one member of the household is an independent student or is a student

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in grades Kindergarten through 12 (including home schooled minors studying course material within these grades). An independent student is defined as one who is not claimed as a dependent on his/her parent's tax return (proof required).

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

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

## **Certification and Recertification**

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

## **Unit Transfers**

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

## **Reporting Requirements**

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

## **Site Audits**

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

## **Owner Inspection**

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

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

Upon determination by GHURA of non-compliance with the LIHTC Program during the extended use period, the owner shall be notified and given thirty (30) days to correct any discovered violations. GHURA may extend the correction period on a case-by-case basis, up to a total of six (6) months, if it is determined by GHURA that good cause exists for granting such an extension. Owners may request GHURA to review all outstanding non-compliance issues for a property once per calendar year after the initial correction period. Any owner and constituent entities involved in management and ownership of a

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project with an unresolved finding of non-compliance beyond the initial correction period may be deemed to be Not in Good Standing by GHURA's Fiscal Department. Owners must clear all outstanding non-compliance issues to be deemed in Good Standing with GHURA.

## **VIII. Appeal**

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

## **IX. Other**

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

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## **Appendix 1 Income Averaging Guidelines**

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### **GHURA Guidelines for Utilizing the Income Averaging Minimum Set-Aside for Applications under Consideration or Already Approved**

The Consolidated Appropriations Act of 2018 establishes income averaging as a new minimum set-aside election for new LIHTC developments. It allows LIHTC Qualified Units to serve households earning as much as 80% of Area Median Income (AMI) so long as the average income limit of the Qualified Units is 60% or less of AMI. Designated income levels for Qualified Units may be set at 10% increments between 20% and 80% of AMI. GHURA will accept proposals for utilizing income averaging in application that are under consideration, have already been approved or have already initially closed, subject to the requirements outlined below.

#### **General Requirements for All Income Averaging Proposals:**

- Utilization of income averaging requires GHURA consent
- Proposals will not be accepted without evidence of approval by the syndicator/investor
- Changes in the AMI bands must be supported by a market study
- Proposals must maintain the requirements of any GHURA funding award
- A revised application and associated exhibits may be required
- If the use of income averaging triggers higher fees for compliance monitoring, the increase will need to be incorporated in the project budget

#### **Additional Requirements for Developments that have already initially closed:**

- Proposals will only be considered for Developments that have not yet executed Form 8609
- The proposal must continue to meet the requirements of the Section 42 of the Internal Revenue Code
- Set-aside elections made in the Extended Housing Commitment executed at initial closing and recorded at the Recorder's Office may need to be amended



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## Appendix 2 Market Study

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In accordance with Section 42(m)(1)(A)(iii) of the Internal Revenue Code, GHURA requires a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project. The Market Study is to be conducted by a disinterested party approved by GHURA and must be submitted as part of the application. The Market Study shall be completed at the Owner's expense. Any applicant that fails to submit a Market Study, or submits a Market Study dated more than 6 months earlier than the date of application shall be returned to the applicant and the application will not receive further consideration.

The Market Study shall address the following information:

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

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

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