

NORTHERN MARIANAS HOUSING CORPORATION



CITIZEN CENTRIC REPORT FISCAL YEAR 2021

PAGE 1	MISSION & INFORMATION
PAGE 2	PERFORMANCE
PAGE 3	FINANCES
PAGE 4	OPPORTUNITIES & CHALLENGES



GOVERNANCE

NMHC MANAGEMENT

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Corporate Director

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Deputy Corporate Director

Jeffrey Q. Deleon Guerrero,
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Board of Directors

Marcie M. Tomokane,
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Eric J. Reyes,
Vice Chairman (Tinian)

Vinney Atalig-Hocog,
Treasurer (Rota)

Oscar M. Babauta,
Secretary (Saipan)

Melvin O. Faisao,
Director (Saipan)

Mission Statement

NMHC is committed to providing efficient and responsive delivery of housing, mortgage and community development programs to the people of the Commonwealth; affording fair and equal opportunity to housing programs and services for all, with special emphasis to very-low, low and moderate income individuals, elderly and persons with disabilities; increasing and implementing home ownership programs with houses that are safe, decent, sanitary and affordable; encouraging and promoting economic independence, self-sufficiency and upward mobility for families; and implementing programs to address the growing and future needs and economic viability of the communities in the Commonwealth.

Overview

Pursuant to the Governor's Executive Order 2020-21, the NMHC is no longer a subsidiary corporation of CDA effective September 24, 2021. Since the separation of CDA, a new set of Board of Directors was established. NMHC was established to develop and administer residential housing for very low, low, and medium income households in the CNMI, and provide subsidized low-interest loans for construction and rehabilitation of such housing. The primary purpose and functions of NMHC are to administer direct loans to qualified individuals for housing construction; participate as guarantor or trustee in housing loan programs; develop and manage rental housing; construct and/or administer other Federal and local residential and housing projects; and participate in programs subsidized by HUD. NMHC serves the low and moderate-income population on Saipan, Tinian, and Rota, by providing safe, decent, sanitary, affordable housing; and, community facilities through its housing and community development programs.

Goals

Expand the supply and improve quality of assisted housing; ensure equal opportunity and improve fair housing; improve family self-sufficiency; expand community development and home ownership opportunities.

Selected Demographics

Low Income Housing Tax Credits: IRS annual tax credits of \$3,245,625 (CY 2021), \$3,217,500 (CY 2020) and \$3,166,875 (CY 2019) were made available to developers of affordable housing projects in the CNMI.

NMHC makes loans for providing low cost housing from both federal and local funding sources. Outstanding loans for all programs totaled \$10,322,593 in FY 2021.

In FY 2021, NMHC provided HUD Housing Rental assistance totaling \$5,592,515 including \$1,434,840 for 114 housing rental units in for very low income housing to administer the programs; \$3,734,726 distributed in monthly rental supplements for about 345 families through the Housing Choice Voucher Program; and, \$422,949 revenues from tenants.

Lastly, NMHC administers Community Development Block Grants used in improving public facilities. NMHC distributed payments for the related construction projects and other expenses totaling \$893,875 (FY2021), \$1,374,290 (FY 2020) and \$971,886 (FY 2019).



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PERFORMANCE

Community Development Block Grant - Disaster Recovery (CDBG-DR)

In January 2020, the Department of Housing and Urban Development (HUD) allocated \$243,946,000 in CDBG-DR funds to the Commonwealth of the Northern Mariana Islands (CNMI). HUD has approved the CNMI's CDBG-DR Action Plan on October 14, 2020 and has executed the Grant Agreements on November 24, 2020 starting the six year clock. The NMHC kicked off the CDBG-DR Housing Programs on January 4, 2021 receiving a total of 1,659 Pre-Qualification Applications as of September 30, 2021. A total of 724 loan application packets were submitted with 286 approvals, 182 denials, and 256 applications under review between Saipan, Tinian, and Rota.

The CNMI received supplemental funding in the amount of \$10,378,000 and was also allocated \$16,000,000 in CDBG-Mitigation (CDBG-MIT) Funds. NMHC is currently working on preparing an Action Plan for the CDBG-MIT funds.

On September 27, 2021, NMHC and NMTI signed the Inter Governmental Agency Agreement to kick-start the Workforce Development Scholarship Program for Construction Courses.

The CDBG-DR Projects Division is working closely with DPW to launch its first Infrastructure Project: Apengahg St and Ghilis St Road Improvement located in Oleai. Anticipated completion date is April 8, 2022.

There are currently 40 personnel hired to administer the CDBG-DR Program. NMHC has expended \$2,011,570 for the disaster recovery program.

CNMI CDBG-DR ALLOCATIONS	
HOUSING PROGRAMS	\$123,221,000
Homeowner Rehab and Recon	\$39,407,033
Single-Family New Const Dev	\$44,407,033
Affordable Rental Housing Dev	\$39,407,033
INFRASTRUCTURE PROGRAM	\$105,881,835
Port Facilities	\$0
Public Facilities	\$58,881,508
Roads	\$10,650,000
Utilities	\$36,350,327
ECONOMIC DEVELOPMENT	\$8,660,000
ADMINISTRATION	\$12,617,718
PLANNING	\$3,943,347
TOTAL ALLOCATIONS	\$254,324,000

Cares Act Funding

The CNMI, through the CARES Act, was granted CDBG-COVID and ESG-COVID funding. NMHC, the State Designee, was allocated three separate allocations of Community Development Block Grant (CDBG)-COVID funding and two separate allocations of Emergency Solutions Grant (ESG)-COVID. Total allocation are as follows: CDBG-COVID (first allocation) : \$549,270; ESG-COVID (first allocation): \$275,414; CDBG-COVID (second allocation): \$274,635; ESG-COVID (second allocation): \$815,225; CDBG-COVID (third allocation): \$545,858. These funds will assist qualified households who were impacted by the Coronavirus Pandemic.

As of date, NMHC has executed the contract for the purchase of a mobile clinic for the Commonwealth Healthcare Corporation using CDBG-CV 1st allocation funds. The project's estimated completion date is changed to January 2022. NMHC is administering the ESG-COVID program (first and second allocations) by providing qualified households with financial assistance (rental and/or utility arrears up to 6 months and rental and utility payments up to 12 months). Estimated completion date for the ESG-CV allocation is February 2022. On October 1, 2020, NMHC and the US Department of Housing and Urban Development (HUD) executed grant agreements for the CDBG-COVID and ESG-COVID allocations.

The third allocation was received by NMHC on March 15, 2021. The allocation of \$545,858 is being administered by the NMHC as a Food Pantry program to supplement and expand ongoing efforts to procure food and infection control supplies to prepare, prevent and respond to the Coronavirus Pandemic. NMHC has sub-granted the Food Pantry Program to two non-profit organizations. Karidat Social Services (to assist the entire CNMI, considered Low-Mod Area) in the amount of \$405,268.50 and The Center for Living Independently in the CNMI (to assist their Low-Mod Clientele) in the amount of \$135,089.50.

Family Self Sufficiency

Guidance, education, training, document preparation, and various assistance given to 27 active participants. 12 participants were provided employment search assistance with one participant gaining employment in 2021. A participant successfully graduated from the FSS Program receiving the Escrow payment. The balance in Escrow as of 09/30/2021 is \$138,968.

HOUSING	SAIPAN	TINIAN	ROTA	TRANSFER TO USA	TOTAL
VOUCHERS	327	4	11	3	345
LANDLORDS	112	3	9	3	127
WAIT LIST	81	5	15	0	101
NEW ADMISSIONS	33	2	2	0	37

RENTAL ASSISTANCE	SAIPAN	TINIAN	ROTA	TOTAL
OCCUPIED	80	19	15	114
OCCUPANCY	97%	95%	94%	95%
WAIT LIST	638	5	0	643
NEW ADMISSIONS	5	3	4	12

Emergency Housing Voucher (EHV)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (P.L. 117-2) into law, which provides \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic. HUD allocated approximately 70,000 EHV to PHAs across the country – NMHC received 132 vouchers. To implement the EHV program within our community from the PIH Notice 2021-15, NMHC was provided \$653,949 for Administrative Fees, Preliminary Fees, Service Fees and housing assistance payment disbursement as of 09/30/2021.

Development Grants

In 2019, HUD awarded NMHC funds totaling \$1,470,871 composed of Development Grants - \$963,951; HOME Program - \$429,574; and Emergency Solutions Grants - \$77,346. Development Grants awarded to grantees in FY 2019 included rehabilitation for both Tinian's Gymnasium and Youth Center Basketball Court, and both Rota's Youth Center and Sinapalo Children's Park roofing. Projects ongoing from previous years include Saipan's San Vicente Central Park, Koblerville Youth Center Expansion, and Kagman Community Center. Additional Cares Act funding awarded PY 2020 for CDBG-CV Round 1 \$549,270 and Round 2 \$274,635 Total of \$823,905 & PY 2020 for ESG-CV Round 1 \$275,414 and Round 2 \$815,225 Total of \$1,090,639.

In FY 2020, HUD awarded NMHC funds totaling \$1,505,032 composed of Development Grants - \$961,222; HOME Program - \$463,940; and emergency shelters - \$79,870. Development Grants awarded to grantees in FY 2020 include (1) Office of the Mayor of Tinian and Aguiguan for the Tinian's Children's Park Improvement Project, (2) Department of Fire and Emergency Medical Services (DFEMS) for the Purchase of Two Wildland Fire Trucks for the CNMI, and (3) Department of Fire and Emergency Medical Services (DFEMS) for the Purchase of Personal protective Equipment for the Department of Fire and Emergency Medical Services (DFEMS) CNMI.

Emergency Solutions Grant

NMHC assisted one (1) homeless households in FY2021. As of September 30, 2021 NMHC assisted a total of 15 homeless households locate temporary housing. From the shelter program's inception, NMHC has assisted 68 households with rentals and utility assistance for up to ten months allowable.

Loan Commitments

Total HOME entitlement funds available for commitment as of the end of Fiscal Year 2021 was \$1,845,587. Total HOME program income funds available was \$842,641; for a grand total of \$2,688,227 in funds that were available for commitment.

Wait List - Loans

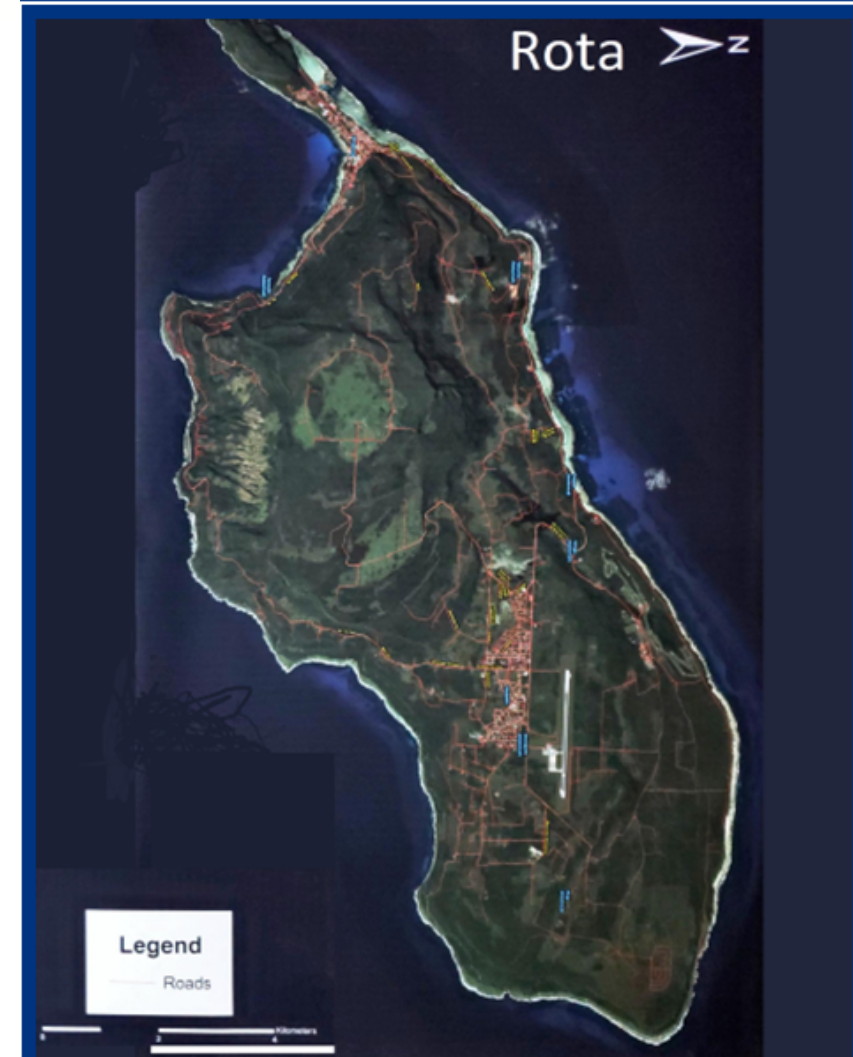
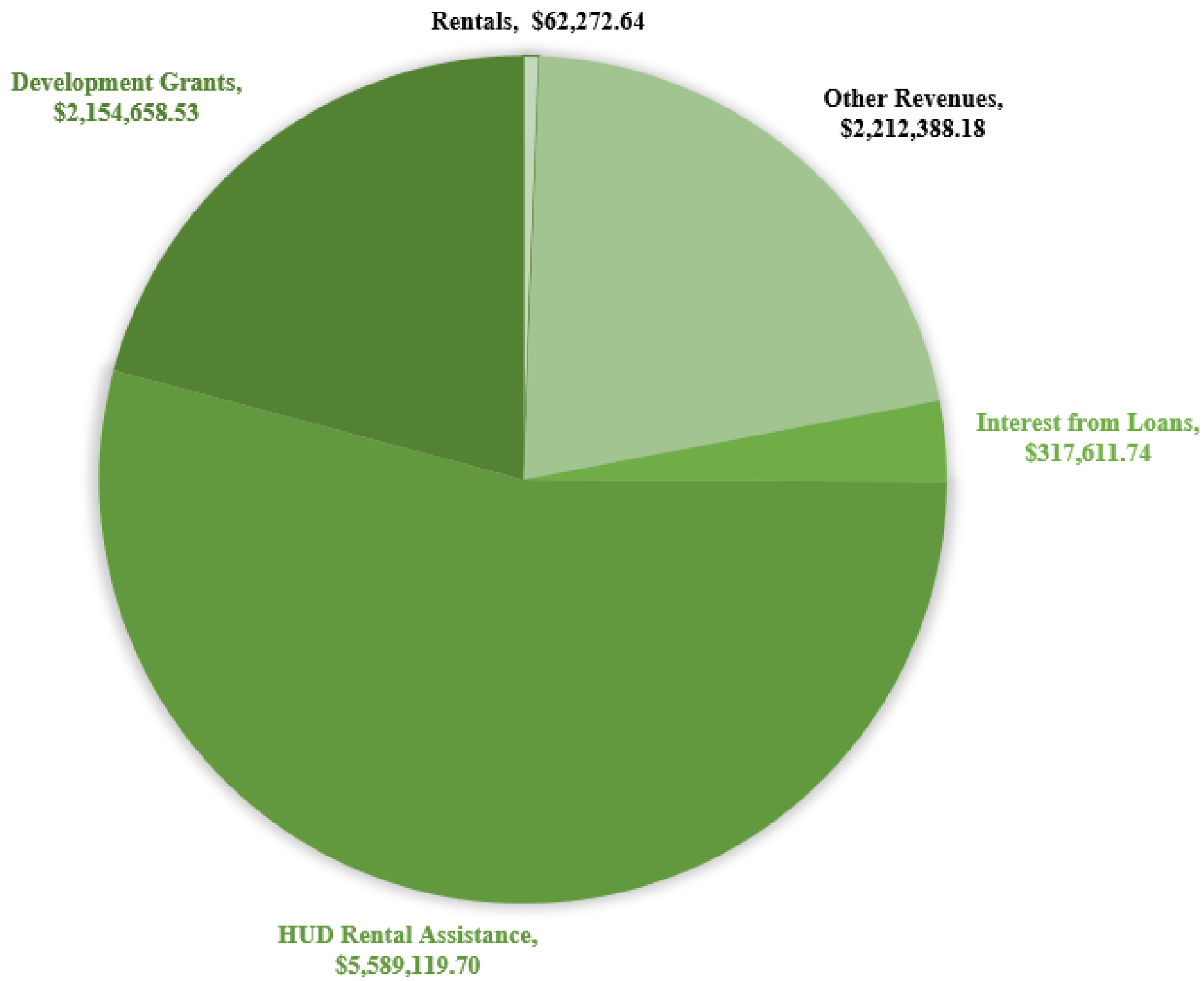
There are currently 40 loan applications being reviewed for further updates and totaling over \$3 million in project funding.

AGING REPORT	NO. OF LOANS	BALANCE
ACTIVE LOANS	239	\$8,497,663
PAST DUE 90 DAYS	\$1,487,496	17.50%
MORE THAN 30 DAYS	\$2,060,636	24.25%

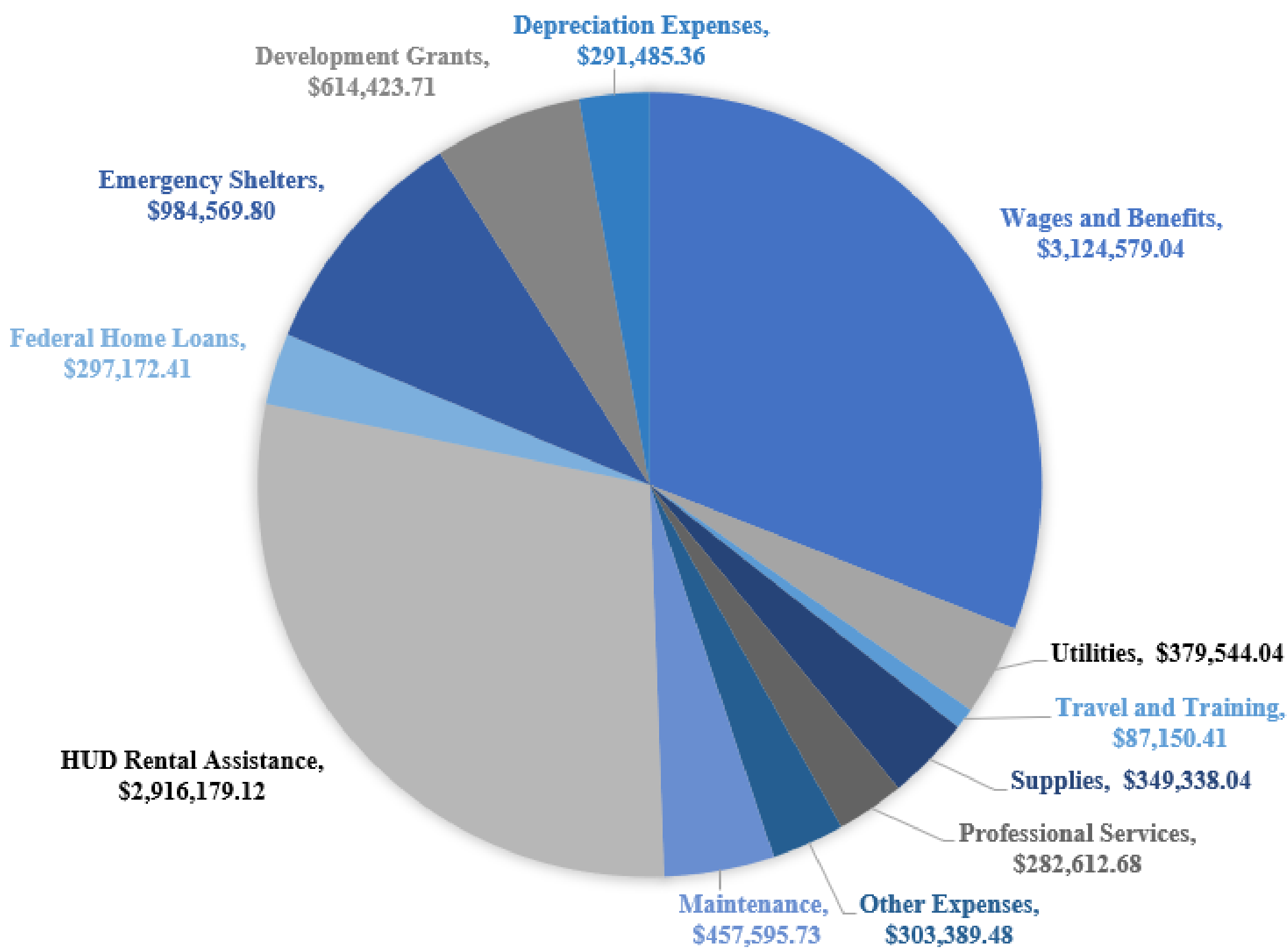
FINANCES

Your Taxpayers Dollars at Work

REVENUE



EXPENSE



Staffing Summary	Positions
Executive	3
Housing Division	10
Fiscal Division	6
Mortgage Division	3
Administration	3
AND Division	6
Development Grants	1
Disaster Recovery	39
Rota Field Office	2
Tinian Field Office	2
Total	75

CHALLENGES AND OPPORTUNITIES

The Corporate Director's Desk

Governor Ralph DLG. Torres and Lt. Governor Arnold I. Palacios have tapped NMHC to administer the Community Development Block Grant Disaster Recovery program (CDBG-DR). NMHC is the lead agency responsible in developing the recovery plan for this particular funding.

The U.S. Department of Housing and Urban Development (HUD) allocated a total of \$254,324,000 to the CNMI for Disaster Recovery to be expended over the course of six (6) years. The CNMI received approval of its Action Plan on October 14, 2020 and executed the grant agreements on November 24, 2020 starting the six year clock. The Action Plan entails a comprehensive analysis of the recovery needs and long-term disaster recovery efforts for the CNMI. Proceeds of the funding will go toward housing, infrastructure, and economic revitalization. The CNMI was also allocated \$16,000,000 in Mitigation funds that will be used towards housing. We expect to receive these funds upon approval of the Mitigation Action Plan.

The CNMI has so far been awarded funding through the CARES Act to prevent, prepare for, and respond to the coronavirus. HUD has allocated \$1,369,763 for CDBG-CV and \$1,090,639 for ESG-CV. Governor Torres and Lieutenant Governor Palacios have assigned NMHC to administer these programs to purchase a mobile clinic for CHCC and to assist eligible applicants with their rental and mortgage payment needs.

ESG-CV \$1,090,639

HUD has allocated a total of \$1,090,639 ESG-CV funds for the CNMI. A total of 968 Pre-Applications were received from February 2020 through December 2020. Due to the limited funding, NMHC was only able to assist 111 applicants. The two components for the rental assistance are to prevent individuals and families from becoming homeless and to help those who are experiencing homelessness to be quickly re-house and stabilized. Program assistance includes Rental and/or utility assistance up to 12 months; Rental and/or utility arrears up to 6 months; Rental Security Deposit; and Utility Security Deposit. Rental payments are paid directly to the landlord and utility payments are paid directly to CUC.

Challenges

Reduced cash flow due to business interruptions for both government and the private sector from Super Typhoon Yutu, and the coronavirus pandemic. Changing regulatory rules are time constricted which may reduce program delivery and response times.

Increased CNMI obligations in recovery efforts for unreserved extraordinary expenditures, and vulnerability from future disasters including related economic impacts.

NMHC runs lean, and funding to manage disaster recovery is unbudgeted; therefore, must be secured from external resources to cover initial expenditures.

CNMI's remote location and limited resources. Prior to, and exponentially after the disaster, the CNMI as a whole, had critical shortages in construction services and labor.

Recovery agencies and other stakeholders in the mainland unfamiliarity with CNMI needs plus the magnitude of the destruction and limitations imposed by the disaster, potentially affecting grant delivery. NMHC management is working to educate mainland stakeholders and reduce potential delays.

Current estimates for rentals, new housing and reconstruction are significantly higher than allowed by US guidelines potentially impeding new loans, rentals and other programs.

Opportunities

NMHC was designated as the Program Administrator for CDBG-DR funds by the Office of the Governor. CDBG-DR grants for unmet housing needs, economic recovery, and infrastructure have been approved by US Congress.

CDBG-DR grants, when delivered and construction completed, will reduce the net effect of the next disaster.

NMHC is considered the subject matter expert by community leaders on related programs and ongoing coordination with other entities for related projects adds quality to existing programs.

New projects will have a significantly larger scope of work and higher funding threshold to provide needed services effectively and efficiently.

Strong relationships and ongoing support from US Government entities including HUD, FEMA, SBA, Office of the Governor and related CNMI agencies, non-profit organizations, and private sector.

Creation of new typhoon resistant homes will reduce future economic and safety impacts.

Contact us for more information! Call us at (670) 234-6866/9447 | www.nmhcgov.net