

# NORTHERN MARIANAS HOUSING CORPORATION



## CITIZEN CENTRIC REPORT FISCAL YEAR 2024

PAGE 1	MISSION & INFORMATION
PAGE 2-3	PERFORMANCE
PAGE 4	FINANCES
PAGE 5	CHALLENGES & OPPORTUNITIES



## GOVERNANCE

### NMHC MANAGEMENT

Zenie (Jeannie) P. Mafnas,  
Corporate Director

Jesse S. Palacios,  
Deputy Corporate Director

Michelle Z. Gibson,  
Chief Financial Officer

### Board of Directors

Merced "Marcie" M.  
Tomokane,  
Chairwoman (Saipan)

Eric J. Reyes,  
Vice Chairman (Tinian)

Vinney Atalig-Hocog,  
Treasurer (Rota)

Oscar M. Babauta,  
Secretary (Saipan)

Vina Saures-Ayuyu,  
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 \$3,360,000 (CY 2024), \$3,185,000 (CY 2023), \$2,975,000 (CY 2022), \$3,245,625 (CY 2021), and \$3,217,500 (CY 2020) were made available to developers of affordable rental housing projects in the CNMI.

NMHC provides loans for low-cost housing from both federal and local funding sources. Outstanding loans for all programs totaled \$7,748,854 as of FY 2024.

In FY 2024, NMHC provided HUD Housing Rental assistance totaling \$6,070,543 including \$1,110,389 for 115 housing rental units in for very low-income housing to administer the programs; \$4,026,960 distributed in monthly rental supplements for about 368 families through the Housing Choice Voucher Program and \$933,194 for 100 families for Emergency Housing Voucher Program.

Lastly, NMHC administers Community Development Block Grants used in improving public facilities. NMHC distributed payments for the related construction projects and other expenses totaling \$980,125 (FY 2024), \$980,125 (FY 2023), \$980,125 (FY 2022), and \$970,416 (FY 2021).



P.O. Box 500514, Saipan, MP 96950  
(670) 234-6866/9447 [www.nmhcgov.net](http://www.nmhcgov.net)



# PERFORMANCE

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

The U.S. Department of Housing and Urban Development (HUD) allocated \$254,324,000 in CDBG-DR funds to the Commonwealth of the Northern Mariana Islands (CNMI). HUD had 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.

### CDBG-DR Housing

During FY 2024, for the islands of Saipan, Tinian, and Rota, the NMHC conditionally approved 53 grant applications under the *CDBG-DR Homebuyer/New Construction Program* (206 conditional approvals thus far) and 39 grant applications under the *CDBG-DR Homeowner Rehabilitation and Reconstruction Program* (105 conditional approvals thus far).

A total of 120 housing projects project broke ground, including the completion of 43 Homebuyer/New Construction projects and 33 Homeowner Rehabilitation and Reconstruction housing projects.

Under the *Affordable Rental Housing Development Program*, there are 2 approved under the *Gap Filler-LITHC Program*, including a 56-unit apartment complex that is currently under construction and is expected to be completed before the end of 2024. There are currently 12 conditionally approved applications under the "1 to 4 Unit Program" including 5 that have received their Commitment Letters and have completed their submission of pre-construction documents. Under the "5-Plus Unit Program", there are currently 2 that have received their Commitment Letters and are currently working on their "pre-construction" documents

### CDBG DR Infrastructure

During FY2024 NMHC CDBG-DR Projects Division pursued a total of 23 eligible infrastructure projects consisting of Road Repairs, Utilities, and Public Facilities. To date, NMHC completed 4 Infrastructure projects, and is monitoring 4 on-going projects. There 9 projects that are in the Procurement phase and 6 projects in the application and design phase.

#### Completed Projects:

- Route 206 Road and Drainage Improvement. Carolinas, Tinian
- Ghilis Street and Apengagh Avenue Road and Drainage Improvement. San Jose, Saipan
- Tinian Elementary School Phase I. San Jose Tinian
- Oleai Sewer Line Replacement, Apengagh Ave. San Jose, Saipan



### CDBG DR Housing Construction

During FY2024, NMHC CDBG-DR Project Division monitored the construction of 171 total Homes. At the of the fiscal year, NMHC handed over a total of 85 homes. A total of 86 homes are currently under construction. 153 on Saipan, 14 on Tinian and 4 on Rota.



### Economic Development - Workforce Development Training Scholarship Program (WDTSP)

In September 2021, NMHC and the Northern Marianas Technical Institute (NMTech) kick-started the Workforce Development Training Scholarship (WDTSP) Program for Construction Courses.

As of August 12, 2024, NMTech reported a total of 157 students that received financial aid assistance through the WDTSP. NMTech has received \$470,626.24 in drawdown funds from the CDBG-DR Program. For Fall 2024, a total of 20 students were deemed qualified for the in-house scholarship. For the Department of Corrections (DOC) Outreach Program, the carpentry course is still on-going with 13 DOC participants; also to add, the class has been extended and may end later than scheduled. NMTech Outreach also participated in the Tinian Job Fair and more than 5 individuals were interested in enrolling in the Tinian Core Pilot course. NMTI has spent 40% of its allocation.

### Economic Development – Tourism Activities

The CDBG-DR Program has allocated \$7.5 million for MVA. As of September 17, 2024, MVA had spent 28% of its allocation. So far in 2024, MVA hit major milestones by campaigning the CNMI. Such events include the Media Blitz Program which promoted The Marianas as a destination. This campaign boosted the CNMI via websites, social media applications, search engine platforms, digital advertisements, airlines and travel agencies landing pages, and large LED visuals in Korea. In 2023, MVA provided NMHC numbers with a total of 215,528 visitors to the CNMI. As of August 2024, MVA provided NMHC numbers with a total of 167,330 visitors, a 19% increase compared to 2023. MVA plans to attend world tour expos in Japan, Thailand, Singapore and London to promote the CNMI.

There are currently 45 personnel hired to administer the CDBG-DR Program. NMHC has so far expended \$58,752,690.00 for the disaster recovery program.

### Community Development Block Grant - Mitigation (CDBG-MIT)

In August 2019, HUD allocated \$16,225,000 in Mitigation funds to the CNMI. Funds will be utilized for mitigation activities that will increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters. On June 4, 2022, HUD formally notified the CNMI that it approved the CDBG-MIT Action Plan, and subsequently executed a grant agreement with the CNMI on June 15, 2022 thereby allocating the sum of \$16,225,000 to the CNMI.

### Dandan Water Tank Replacement Project

Invitation for Bids for the Dandan Water Tank Replacement, NMHC IFB 2024-003 was made available on December 26, 2023. A mandatory pre-bid conference and site visit was held on January 09, 2024. Bids were publicly open on February 09, 2024. NMHC CDBG DR Projects Division coordinated the completion of the bid technical evaluation and recommended to award the project to the lowest responsive and responsible bidder on March 11, 2024. NMHC Procurement completed the construction contract and the Notice to Proceed was issued on August 12, 2024.



# PERFORMANCE

## Community Development Block Grant (CDBG) Program

### 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 completed the purchase of a mobile clinic for the Commonwealth Healthcare Corporation using CDBG-CV 1st allocation funds. NMHC completed 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). Completion date for the ESG-CV allocation was February 2022. On October 1, 2020, NMHC and the U.S. 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 and completed on June 2023. 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 \$309,939.83.

### Family Self Sufficiency

Guidance, education, training, document preparation, and various assistance given to 7 active participants. 3 participants continue to be employed in 2024. Nine (9) participants successfully graduated from the FSS Program receiving a total of \$107,022 of Escrow payments. The balance in Escrow as of 09/30/24 is \$68,610.

Housing	Saipan	Tinian	Rota	Transfer to USA	Total
Vouchers	350	6	6	2	364
Landlords	120	5	8	2	135
Waitlist	184	4	3	0	191
New Admissions	35	0	1	0	36

### Emergency Housing Voucher (EHV)

Performance Parameters	Saipan	Tinian	Rota	Port-out	Total	Voucher Availability	
EHV Total Issued (As of 09.2023)	131	1	1	0	133	Total Vouchers	132
EHV Total Unit Searching (As of 09.2023)	1	0	0	0	1	Total Issued	126
EHV Total Housed	99	0	1	1	101	To Be Issued (Oct 2023)	6
Comments						Available	0

Rental Assistance	Saipan	Tinian	Rota	Total
Occupied	80	19	16	115
Occupancy	98%	95%	100%	98%
Wait List	593	9	6	608
New Admissions	5	0	0	5

### Development Grants

In FY 2023, HUD awarded NMHC funds totaling \$1,627,136.43 composed of Development Grants - \$980,125; HOME Program - \$489,268; and Emergency Solutions Grants - \$81,210; HTF Program - \$76,533.43 Development Grants awarded to grantees in FY 2023 included New construction of Child Care Facility (Rota), New Construction of Multi-Purpose Stage (Rota), and New Construction of Community Pavilions (Rota). Projects ongoing from previous years include Rehabilitation of the Sinapalo Youth Center (Rota) and Rehabilitation of the Sinapalo Basketball Court (Rota).

For the remaining 2024-2025, HUD will be awarding NMHC funds totaling \$1,493,326.89 composed of Development Grants - \$980,125; HOME Program - \$407,723; and emergency shelters - \$81,210; HTF Program - \$24,268.89. Development Grants awarded to grantee in FY 2023 is the new construction of CNMI Health Education and Crisis Response Center (Commonwealth Health Care Corporation) in the amount of \$784,100.00.

### Loan Commitments

Total HOME entitlement funds available for commitment as of the end of Fiscal Year 2024 was \$735,656.00 Total HOME program income funds available was \$128,481.00; for a grand total of \$864,137.00 in HOME funds that were available for commitment.

### Wait List - Loans

There are approximately 21 loan applications on the waiting list; totaling over \$4.2 million in project funding.

Aging Report	No. of Loans	Balance
Active Loans	233	\$7,748,853.91
Past Due 90 Days	\$1,615,760.30	20.85%
More Than 30 Days	\$476,061.91	6.14%

### Homeowner Assistance Fund (HAF)

NMHC received \$4 Million in Homeowner Assistance Fund (HAF) Program made possible through the U.S. Department of the Treasury. The program's purpose is to assist income eligible homeowners with mortgage delinquency payments, future mortgage payments, utilities and broadband arrears and future payments, and homeowner related insurance payments. The homeowner must also show proof of financial hardship as a direct result of the COVID 19 pandemic. The program provides residents of the CNMI with the opportunity to maintain homeownership and recover from the economic impact of the pandemic.

### Emergency Solutions Grant

NMHC assisted one (4) Homeless prevention households and (4) Rapid-Rehousing households in FY2023. From the shelter program's inception, NMHC has assisted 103 households with rentals and utility assistance for up to twelve months allowable.

### Housing Trust Fund (HTF)

NMHC received approximately \$400K in Housing Trust Fund (HTF) monies for PY 2021 and 2022. HTF funds were used to Acquire/Reconstruct 2 – 2 Bedroom units to be used for rental housing for extremely low-income household families for the island of Saipan. The program fulfills one of NMHC's priority goals of sustaining the affordable housing stock in the CNMI.

### Low Income Housing Tax Credits (LIHTC)

### CY2023 Credits

Isa Villas II		Vista Homes, LLC		Palm Breeze Homes, LLC		Lotus Homes, LLC	
1 Bedroom Units	12	Allocated 2023	\$2,186,599	Allocated 2023	\$678,996	Allocated 2023	\$319,405
2 Bedroom Units	24	Allocated 2024	\$2,039,511	3 Bedroom Units	40	2 Bedroom Units	9
3 Bedroom Units	16	3 Bedroom Units	45			3 Bedroom Units	39
4 Bedroom Units	2					<b>Total Units</b>	<b>48</b>
<b>Total Units</b>	<b>56</b>						

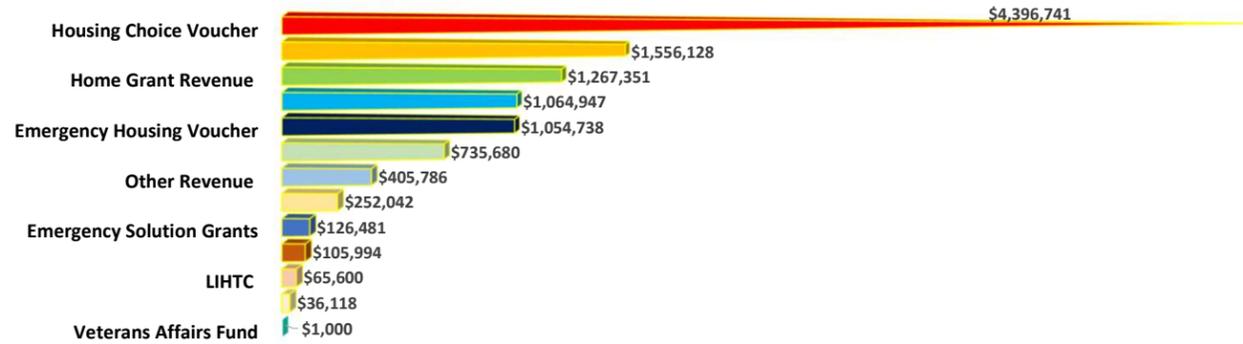
Place in Service by the end of the year 2024.

Anticipated Place in Service will be 2026 for all three projects.

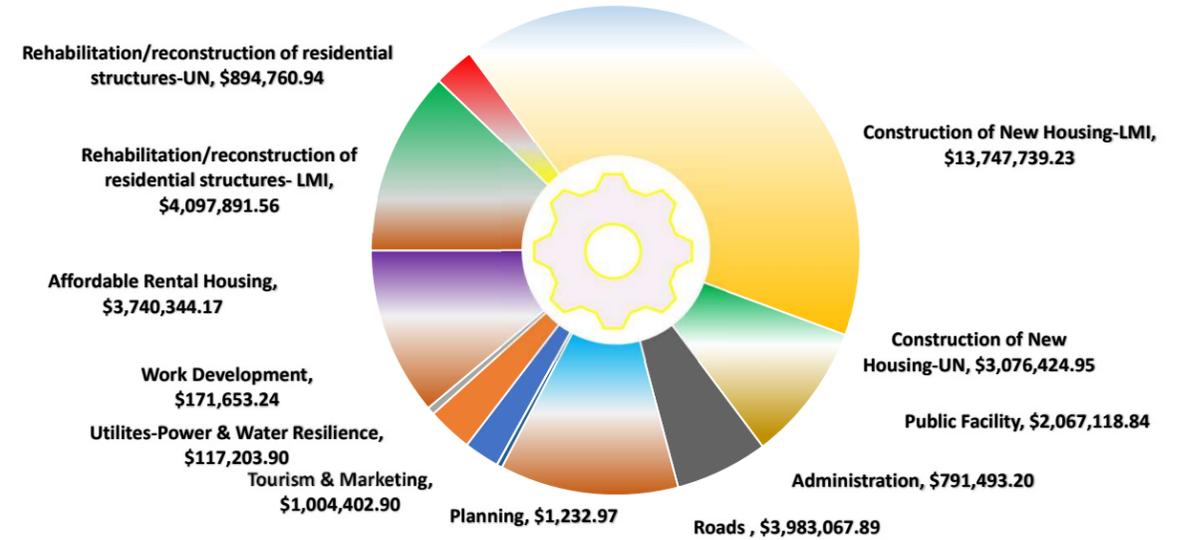
# FINANCES

YOUR TAXPAYERS' DOLLARS AT WORK

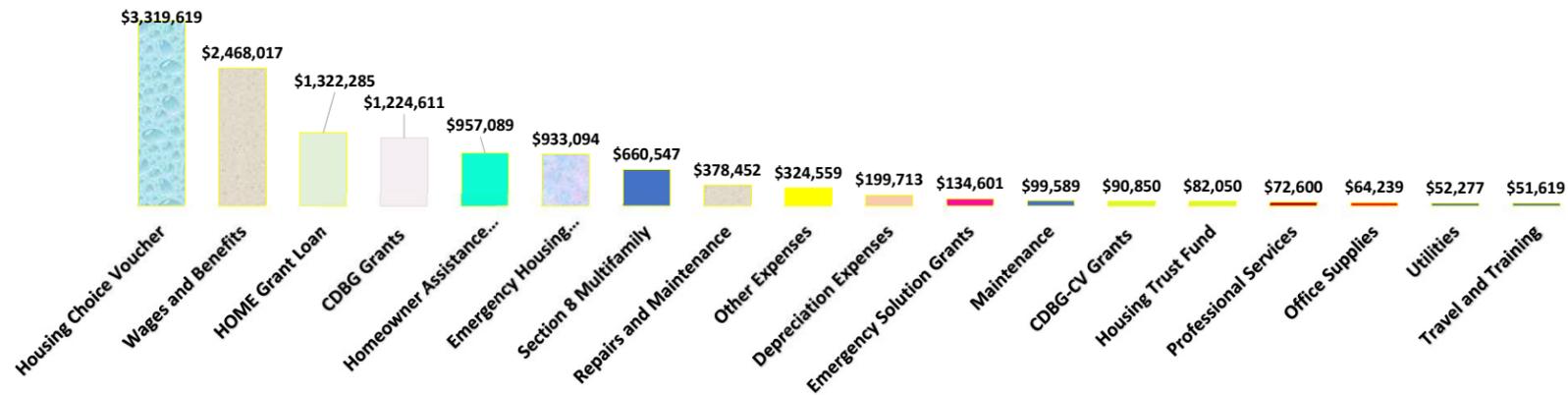
## Regular Program Revenue \$11,068,607.00 FY 2024



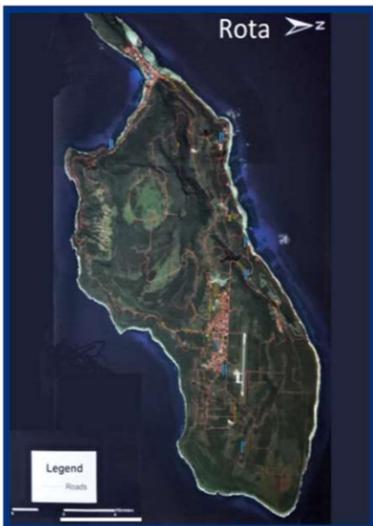
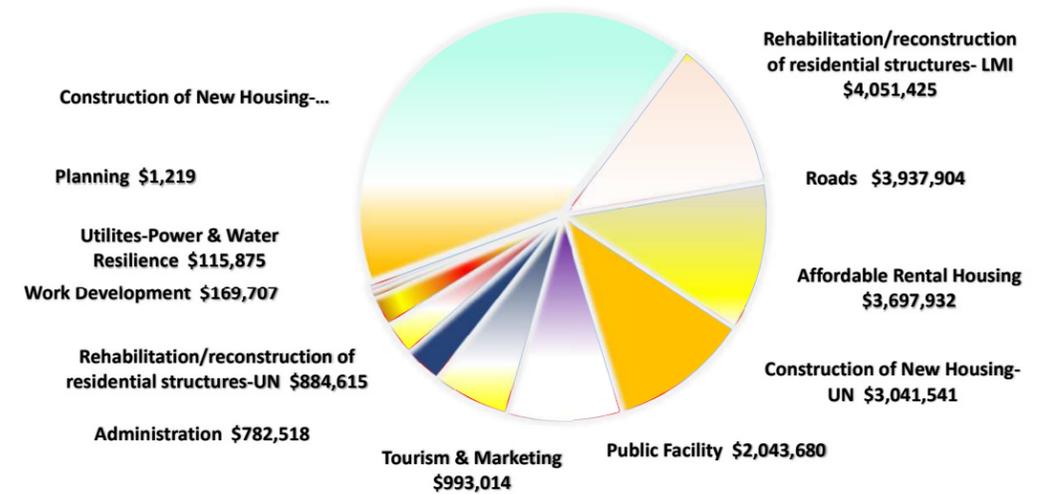
## CDBG-DR Program Revenue \$ 33,693,334.00 FY 2024



## Regular Program Expenditures \$12,435,811.00 FY 2024



## CDBG-DR Program Expenditures \$33,311,284.00 FY 2024



Staffing Summary	Positions
Executive	3
Admin Division	6
Rota Field Office	2
Mortgage & Credit Division	4
Asset Management Division	7
Program & Housing Division	11
Fiscal Division	6
CDBG-DR Division	43
Planning Division	8
Tinian Field Office	2
<b>Total</b>	<b>92</b>

# CHALLENGES AND OPPORTUNITIES

## The Corporate Director's Desk

Hafa A dai and Tirow. Our Board of Directors, Management, and Staff are pleased to provide the community with updates, through this Citizen Centric Report, on our various housing, infrastructure, and economic development programs that we administer on behalf of the CNMI. Our commitment to fostering a thriving, resilient community is unwavering, and we recognize that our success depends on collaboration, innovation, and a shared vision for the future. I would like to highlight the following:

**Housing Programs:** Access to affordable and quality housing is fundamental to the well-being of our residents. Through our various housing programs, we are actively working to expand affordable housing options and support our community members in securing stable homes. Our partnerships with local developers, local landlords, and private partnerships have already resulted in the creation of hundreds of new units, ensuring that everyone has a place to call home.

**Disaster Recovery Programs:** In the face of adversity, we launched the CDBG-DR Program in 2021 aimed at rebuilding and revitalizing our communities. Our efforts prioritize the needs of those affected by Super Typhoon Yutu and Typhoon Mangkhut, providing essential resources and support to help families and individuals rebuild their lives. Together, we are creating a stronger, more resilient community capable of withstanding future challenges.

**Community Planning and Development:** We believe in the power of thoughtful planning to shape our communities for generations to come. Our community planning and development program is designed to engage residents in the decision-making process, ensuring that their voices are heard and valued. By fostering inclusive development that considers diverse perspectives, we are laying the groundwork for the CNMI community to thrive.

As we move forward, we remain dedicated to transparency, collaboration, and accountability. Together, we can build a community that not only meets the needs of today but also paves the way for a brighter, more sustainable future.

Zenie P. Mafnas  
Corporate Director

---

## Challenges

Reduced cash flow due to business interruptions for both government and the private sector from Super Typhoon Yutu, the coronavirus pandemic, and now with the Touchback Provision for CW-1 Workers. 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.

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. Labor and material costs have increased and continue to increase thereby reducing the total number of families that can be assisted.

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 continues to work 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, US Treasury, 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. More families will be able to shelter-in-place.

---

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