

# KUMISION INANGOKKON TANO' CHAMORRO (CHAMORRO LAND TRUST COMMISSION)

A Report to the Citizens of Guam Fiscal Year 2014



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***“Advance the well-being of the Chamorro people by way of equitable land distribution.”***

The Chamorro Land Trust Act was enacted in February 1975 to protect and ensure Chamorro Homelands are awarded to native Chamorros defined by the Organic Act of Guam. The Chamorro Land Trust Commission (CLTC) was created through Public Law 12-226 to administer Chamorro Homelands. CLTC offers three types of lease programs which are residential, agriculture and commercial. Applicants of the residential and agriculture programs pay a \$50 one-time non-refundable processing application fee. Whereas, commercial applicants have to submit a letter of interest to the Director which would be presented to the board for their approval or disapproval. Lease rates for residential and agriculture leases are a \$1 a year for a term of 99 years. Commercial leases/licenses do not have a set rate; commercial rates are determined based on property appraisals.

CLTC's land inventory accounts for 33% of Government of Guam property throughout the island of Guam. The total acreage in CLTC inventory amounts to 11,061.78. The northern part of Guam accounts for 5,694.14 acres, 1,297.54 acres in the central and 4,070.10 acres in the south.

## Our Mission

To hold and protect Chamorro homelands for its beneficiaries and exercise diligence and uphold our fiduciary responsibility in the management of Chamorro homelands.

## Our Goal

- ◆ Increase lease issuance.
- ◆ Expand on Private and Public partnership to increase the availability of affordable homes for our constituents.
- ◆ Increase our revenues to ensure that programs are properly funded.



## **Agriculture and Residential, and Commercial Leases/Licenses**

Since the creation of CLTC up until FY 2014, CLTC has reviewed and qualified 11,214 applicants for its residential and agriculture programs. Also, at the end of FY 2014 CLTC has leased/licensed a total 3,460.78 acres. The residential and agriculture programs accounted for 2,783.29 acres and commercial 677.49 acres.

### **Commercial Program**

For many years CLTC's Commercial program has been operating without rules and regulations. When a moratorium was placed on all new commercial applications this negatively affected the revenue generating activities that funded the operations of CLTC. In FY 2014 CLTC's Director and Board members work diligently and cohesively to ensure that the Commercial rules and regulations were drafted. At the end of FY 2014 the proposed rules and regulations was completed.

### **Chamorro Home Loan Guaranty Program**

The Chamorro Home Loan Guaranty Program has been operational for many years without a monitoring process. As a result CLTC had a liability that was not reconciled for years nor properly monitored. In FY2014 CLTC implemented a monitoring process that decreased CLTC's liability from \$12,252,604 to \$10,163,982. Also, through the monitoring process CLTC prevented a default from occurring and initiated the process of identifying another constituent to assume the loan.



### **Affordable Homes**

In FY 2014 CLTC embarked on a partnership with Guam Housing Corporation to expand on the availability of affordable homes. Through this partnership two programs were created. One program would utilize CLTC property to construct affordable model homes which would serve as model homes for a term of one year. After homes will be offered to CLTC constituents for purchase. The other program would create subdivisions with different CLTC property. This method is the most cost effective way to ensure that necessary infrastructure is installed and made

### **Real Property Taxes**

In the past CLTC had issued leases that did not have proper legal description. As a result real property tax assessment was not conducted on many leases. In FY 2014 with the assistance of DLM's Survey Division a tabletop survey project was initiated to address leases without proper legal descriptions.

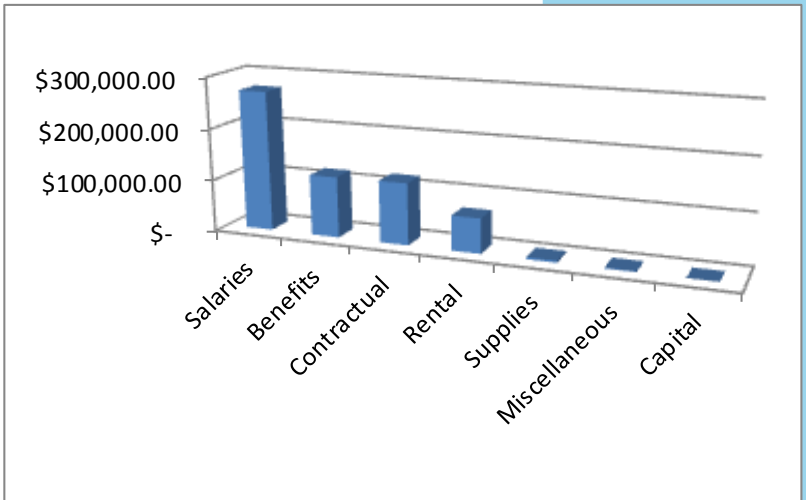
ready available.

### **Financial System**

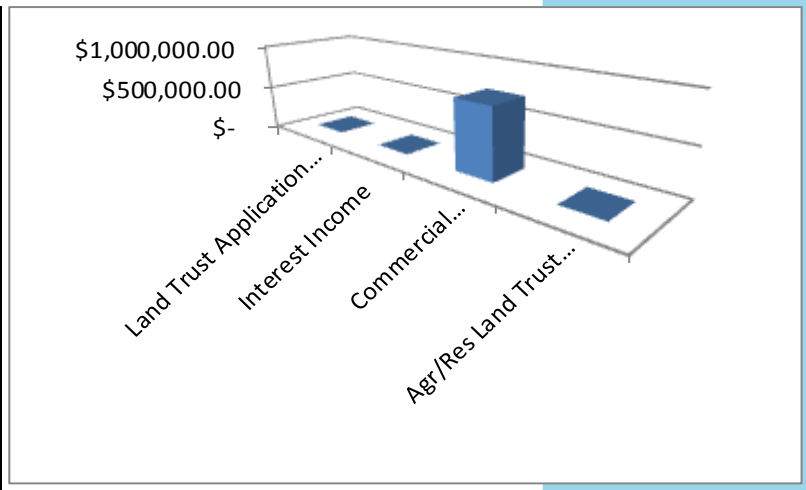
The previous two financial audits conducted on CLTC identified several of findings but majority related to the lack of an accounting system. In the latter part of FY 2014 CLTC initiated the development of an accounting system utilizing the accounting software Quickbooks.

## CLTC Operations Fund

<b>Expenditures</b>	
	<b>2014</b>
Salaries	\$ 270,841.25
Benefits	\$ 117,624.11
Contractual	\$ 119,348.33
Rental	\$ 67,097.55
Supplies	\$ 4,070.51
Miscellaneous	\$ 1,500.00
Capital	\$ -
<b>TOTAL</b>	<b>\$ 580,481.75</b>

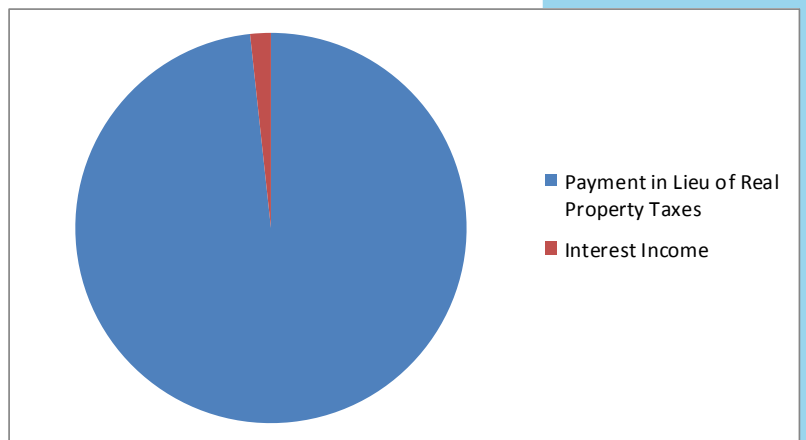


<b>Revenues</b>	
	<b>2014</b>
Land Trust Application Fees	\$ 6,650.00
Interest Income	\$ 2,193.15
Commercial Lease/License	\$ 750,505.47
Agr/Res Land Trust Lease	\$ 3,660.00
<b>GRAND TOTAL COLLECTED</b>	<b>\$ 763,008.62</b>



## Chamorro Loan Guaranty Fund

<b>Revenues</b>	
	<b>2014</b>
Payment in Lieu of Real Property Taxes	\$ 77,817.96
Interest Income	\$ 1,350.36
<b>GRAND TOTAL COLLECTED</b>	<b>\$ 79,168.32</b>



# Future Challenges

CLTC had accomplished many tasks during FY 2014. Although, those accomplishments are a few of many pending tasks that have adversely affected CLTC's day-to-day activities and function as a component of the Government of Guam. At the conclusion of FY 2014 CLTC's 5-member board consisted of only 4 confirmed members. Because of the difficulty in filling all seats on the board CLTC foresees this as a future challenge.

Next, CLTC's staffing level has played a significant part in the outcomes, and outputs of the agency. For many years CLTC has operated on a skeleton crew, which totaled to 8 classified employees. In response to the struggle that has plagued CLTC Governor Calvo created and implemented advisory no. 9. which authorizes the merger of CLTC and Department of Land Management. Through this merger 3 Land Management staff had been assign to assist CLTC in their functions in regards to land issues, concerns, and issuance. The staff shortage CLTC has experience will continue to be a challenge.

Another challenge that has haunted CLTC in the past and will continue is the lack of infrastructure. The cost to install infrastructure has increased over the years without the necessary financial resources CLTC will not be able to provide the necessary infrastructure to ensure that its beneficiaries utilized the property to its fullest.

The last challenge that CLTC has experience and foresees to continue to experience is the lack of financial resources made available. For many years CLTC has operated on a roll over type budget. Without the financial resources necessary CLTC will continue to experience challenges that will negatively affect our day-to-day operations and the livelihood of our constituents.



## We Want to Hear from You

Did you find this report informative? Do you think we need more information added? If yes, please contact our office at 649-5263 ext. 651 or email us at [cltc.staff@dml.guam.gov](mailto:cltc.staff@dml.guam.gov). Complete budgetary reports can be found on our website [www.dlm.guam.gov](http://www.dlm.guam.gov)