

**Twentieth Northern Marianas Commonwealth Legislature**

**IN THE HOUSE OF REPRESENTATIVES**

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Session, 2017

H. B. 20- **33**

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**A BILL FOR AN ACT**

To amend 2 CMC § 4435(f) and to repeal 2 CMC § 4435(h) to expand the use of lease agreement payments to supplement housing assistance; and for other purposes.

**BE IT ENACTED BY THE TWENTIETH NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that Public  
2 Law 6-34 authorized the Northern Marianas Housing Corporation (NMHC),  
3 subject to certain terms and conditions, to lease for commercial development  
4 certain lands situated in the North Garapan Subdivision Annex No. 2. Public Law  
5 6-34 further required the following: (1) that all 45 existing housing units currently  
6 controlled by NMHC at the subject property be replaced by decent, safe, sanitary  
7 housing at another, suitable location; (2) that all requisite infrastructure facilities  
8 be installed and operational for said replacement housing; and (3) that all current  
9 tenants of Annex No. 2 Section 8 housing, who so desire, be relocated to the  
10 replacement housing before commencement of demolition of the existing housing  
11 or construction of the proposed development.

1           The Legislature finds that although NMHC opted out of the U.S.  
2 Department of Housing and Urban Development's (HUD) Section 8 Housing  
3 Assistance Payments Contracts rental housing program in 1997 and 1999 for the  
4 Annex subdivision, none of the tenants of the Annex No. 2 housing have been  
5 displaced. In fact, the tenants were accommodated either under the HUD Section  
6 8 Housing Choice Voucher Program, through which they were provided housing  
7 assistance vouchers to rent privately-owned dwellings or the HOME Program for  
8 first-time homeowners.

9           The Legislature further finds that currently, the United States Internal  
10 Revenues Service's Low Income Housing Tax Credit Program (LIHTC) which is  
11 administered locally by NMHC has currently produced and placed in service for  
12 rent a total of 189 additional units for families whose household incomes are at 60  
13 percent or below the HUD income limits; thereby negating the reduction of the 45  
14 rental housing units when NMHC opted out of the rental housing units. As a  
15 matter of fact, the current number of housing assistance units administered by  
16 NMHC totals 670 housing units or vouchers, comprising of 363 housing choice  
17 vouchers, 118 multifamily units, and 189 LIHTC housing units. NMHC  
18 anticipates the increase in housing assistance in the near future will comprise of a  
19 combination of additional LIHTC units and project-based vouchers.

20           Therefore, the purpose of this legislation is to eliminate the lease  
21 agreement requirement to replace the Annex housing units because there are  
22 sufficient housing assistance units or vouchers to accommodate those qualified for

1 such programs; and to expand the use of the lease agreement payments to include  
2 supplementing and leveraging NMHC and HUD's housing assistance and loan  
3 programs as well as other federal and local housing and community programs  
4 offered or administered by NMHC.

5 **Section 2. Amendment.** 2 CMC § 4435(f) is hereby amended to read as  
6 follows:

7 ~~“(f) That payments to MIHA under the lease agreement~~  
8 ~~shall be segregated from all other income or receipts of MIHA, shall be~~  
9 ~~subject to annual audit by the Commonwealth Public Auditor, and shall be~~  
10 ~~used solely for the following purposes: That payments to NMHC under~~  
11 ~~the lease agreement shall be set aside and earmarked to supplement and~~  
12 ~~leverage HUD's housing assistance and loan programs, community~~  
13 ~~planning and development programs; the United States Department of~~  
14 ~~Agriculture Rural Development (USDA-RD) housing loan and community~~  
15 ~~planning and development programs, and other similar programs available~~  
16 ~~under the U.S. federal government; the NMHC direct family home loan~~  
17 ~~program; and also shall be used for the following purposes:~~

18 (1) To meet the obligations of ~~MIHA~~ NMHC, as  
19 outstanding at the time of execution of the lease;

20 (2) ~~To assist in providing infrastructure for existing and~~  
21 ~~future Marianas Public Land Corporation village homestead~~  
22 ~~developments, to the extent that FHA, FmHA, and other low~~

1 interest or guaranteed mortgage programs thus become available to  
2 low and moderate income persons building homes in the  
3 homesteads; and

4 (2) To provide working capital for NMHC direct family  
5 home loan program;

6 (3) To assist in providing infrastructure for existing and  
7 future village homestead developments for the islands of Saipan  
8 and the Northern Islands, Rota, and Tinian to the extent that FHA,  
9 USDA RD, and other low interest or guaranteed mortgage  
10 programs thus become available to very-low, low and moderate  
11 income families building homes in the homesteads; and

12 (4) To defray the costs of administering and managing  
13 NMHC's housing assistance, housing loan and loan guarantee  
14 programs, community development programs, and other programs  
15 that NMHC may administer in the future."

16 **Section 3. Repealer.** 2 CMC § 4435(h) is hereby repealed in its entirety:

17 ~~“(h) That all existing housing currently controlled by MIHA~~  
18 ~~at the subject property be replaced by decent, safe, sanitary, housing at~~  
19 ~~another suitable location, that all requisite infrastructure facilities be~~  
20 ~~installed and operational for said replacement housing, and that all current~~  
21 ~~tenants of the Garapan Section 8 housing, who so desire, be relocated to~~

1           ~~the replacement housing, before the commencement of demolition of the~~  
2           ~~existing housing or construction of the proposed development.”~~

3           **Section 4. Severability.** If any provision of this Act or the application of  
4 any such provision to any person or circumstance should be held invalid by a  
5 court of competent jurisdiction, the remainder of this Act or the application of its  
6 provisions to persons or circumstances other than those to which it is held invalid  
7 shall not be affected thereby.


8           **Section 5. Savings Clause.** This Act and any repealer contained herein  
9 shall not be construed as affecting any existing right acquired under contract or  
10 acquired under statutes repealed or under any rule, regulation or order adopted  
11 under the statutes. Repealers contained in this Act shall not affect any proceeding  
12 instituted under or pursuant to prior law. The enactment of this Act shall not have  
13 the effect of terminating, or in any way modifying, any liability civil or criminal,  
14 which shall already be in existence at the date this Act becomes effective.

15           **Section 6. Effective Date.** This Act shall take effect upon its approval by  
16 the Governor or upon its becoming law without such approval.

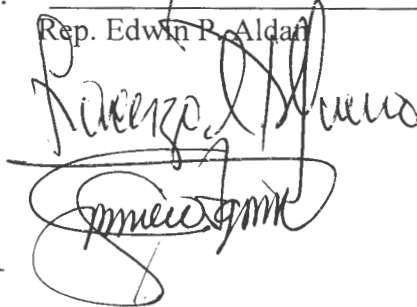
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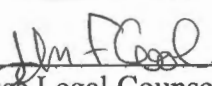
Date: 1/30/17

Introduced by:

  
Rep. Edwin P. Aldan

Reviewed for Legal Sufficiency by:



  
House Legal Counsel