

Housing economic policy on Guam

Written by BY SEN. BEN PANGELINAN
Thursday, 22 May 2014 03:00am

AS A senator for the Guam Legislature, I have continued to push for economic policy that enhances and promotes the local economy while protecting the people and environment of Guam from external decisions that are made that may have lasting effects and impacts on our lives and on our island.

The House Armed Services Committee (HASC) recently held its Full Committee Mark on the Fiscal Year 2015 National Defense Authorization Act (NDAA) which included a provision to require the Secretary of Defense to provide a report on the feasibility of utilizing public-private housing ventures (PPVs) on Guam which involves utilizing the existing private sector real estate market for military housing needs. Such a provision is aligned with my push for the Military Housing Privatization Initiative (MHPI).

Back in June 2012, I was asked to participate in the Bond Buyer's 7th Annual Financing Military Housing Privatization Conference in Washington, D.C. As the keynote speaker, I had a unique opportunity to share our culture and rich history with many who did not know what Guam was or where Guam is located. I was able to present on the MHPI, which I believed would better serve our community and economy with the proposed military relocation from Okinawa to Guam.

The original military buildup agreement saw a similar arrangement to the MHPI, but with the government of Japan, through Special Purpose Entities, gaining from the construction of military housing projects. I was against this proposal, as it did not benefit the people and businesses of Guam. The MHPI can assist individual landowners and businesses on Guam by allowing them to partner with developers and bankers to develop housing throughout the island. Building these subdivisions throughout the island will generate commerce for small and large businesses in certain feasible areas on Guam. The government of Guam can benefit from additional tax revenue generated as a result of increased economic activity through these MHPI developments.

For those unfamiliar with the term, MHPI is considered a tool to help the military improve the quality of life of its service members by focusing on housing improvements that leverage private sector financing as a means of efficiently providing housing at a much faster rate and far more efficiently and cost effectively than typical military construction allows. The MHPI, created in 1966, allows the Department of Defense to enter into agreements with private developers through a competitive bidding process to own, maintain and operate housing during a 50-year lease agreement. Another part of the MHPI grants service members with a Basic Allowance permitting them to choose to live in private-sector housing.

The implementation of the MHPI on Guam could contribute significantly to our economy in the form of jobs and tax revenues that would allow our government to reinvest into our community. There are good examples of the MHPI in action – one only needs to look at jurisdictions such as Hawaii, Texas, Kentucky, Virginia, California and New York.

Housing economic policy on Guam

Written by BY SEN. BEN PANGELINAN
Thursday, 22 May 2014 03:00am

As I have asked before, if it was successful in those states, couldn't it work and be successful here?

Now that we are in the comment period of the draft supplemental environmental impact statement, it is important to find federal policies that would have positive impacts to the people of Guam and our economy. By incorporating our local government and private-sector stakeholders, the Department of Defense would be able to show that it has a vested interest in the sustainability of our culture and natural resources as much as they have a vested interest to be here in Guam. This type of cooperation and good faith effort would go a long way to resolving many of the conflicts that the DSEIS currently presents.

We are at a critical point in our history. With the completion of public scoping meetings for the DSEIS, we have a short opportunity to communicate our remaining issues and concerns. We also have the ability to capitalize on federal laws and programs, such as the MHPI that could have positive economic impacts. I am encouraged that the public-private housing ventures feasibility study was included in the Full HASC Mark of the FY 2015 NDAA, but I am hopeful and will work toward the full MHPI program being implemented on Guam if it is necessary.

I also remain steadfast in that any military relocation requires adequate discussion and dialogue with those that will be most impacted and affected – the people of Guam. If the people of Guam are unable to speak and voice their concerns at the same level as the United States government, we will remain unable to ensure a future that the people envision and have the ability to control. As there continues to be decisions being made that will impact all our lives, I urge the public to continue to follow and take part in any and all discussions regarding our future.

Si Yu'os Ma'åse'