

TITLE 2: NATURAL RESOURCES
DIVISION 4 : LAND RESOURCES

§ 4435. Authority to Lease Land.

NMHC is authorized to lease for commercial development certain properties known as the North Garapan Subdivision Annex No. 2, which were conveyed to NMHC by quitclaim deed by the government of the Trust Territory of the Pacific Islands on February 25, 1965. Any such lease agreement shall be subject to the following terms and conditions:

(a) That as a result of the agreement, NMHC incurs no financial obligation, other than normal and necessary costs of administering the lease;

(b) That the subject property be put to its highest and best use by the development agreement;

(c) That the prevailing value of leases and sales of private lands on Saipan's west coast, near-shore uplands, as determined by independent appraisal of such leases and sales, be used as the basis for establishing the value which NMHC shall realize from the subject land;

(d) That the agreement provide to NMHC an up-front cash payment for the lease of the land sufficient to meet NMHC's current outstanding obligations and provide continuing payments computed as a percentage of the gross revenues derived from the subject property by the developer, any sublessee, or any successor in interest;

(e) That no reassignment of the lease shall be allowed without the renegotiation by NMHC of the terms of payment embodied in the original lease and without approval by the legislature, in the form of a joint resolution duly enacted, of such renegotiated terms;

(f) That payments to NMHC under the lease agreement shall be set aside and earmarked to supplement and leverage HUD's housing assistance and loan programs, community planning and development programs; the United States Department of Agriculture Rural Development (USDA-RD) housing loan and community planning and development programs, and other similar programs available under the U.S. federal government; the NMHC direct family home loan program; and also shall be used for the following purposes:

(1) To meet the obligations of NMHC outstanding at the time of execution of the lease;

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

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

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

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(g) That the agreement stipulate that any developer shall provide, or pay a fee or exaction to the appropriate public agency or department of the Commonwealth government for the purpose of that agency or department providing to the developer, all such infrastructure facilities, including facilities for electrical power, water, sewer, transportation, recreational or cultural activities, police and fire protection, affordable housing, schools, and solid waste management, the need for which has a rational nexus to the development.

Source: PL 6-34, § 1; (f) amended and (h) repealed by PL 20-18 §§ 2, 3 (Sept. 29, 2017), modified; amended by PL 20-87 § 6 (Feb. 5, 2019).

Commission Comment: PL 6-34 took effect July 28, 1989. An attachment to that act listed the parties to whom MIHA had outstanding obligations (“the obligations of MIHA” referred to in subsection f(1)).

[Historical comments removed.]

In codifying PL 20-18, the Commission changed “USDA RD” to “USDA-RD” and inserted a serial comma in (f)(3), and changed “; and” to “.” at the end of (g) pursuant to 1 CMC § 3806(g).

In codifying PL 20-87 § 6, which mandated a global amendment to Chapter 4, the Commission replaced any reference to “MIHA” with “NMHC” within this section.