

**MINUTES OF THE 03-2021 BOARD MEETING
OF THE SOCIAL HOUSING FINANCE CORPORATION
30 MARCH 2021
Videoconference¹**

ATTENDANCE OF BOARD DIRECTORS:

SEC. EDUARDO D. DEL ROSARIO	-	DHSUD Secretary <i>Chairperson</i>
ATTY. ARNOLFOR RICARDO B. CABLING	-	President, SHFC <i>Vice-Chairperson</i>
ATTY. RYAN S. LITA	-	DBM Representative

Private Sector Representatives:

MR. LYNDON B. CATULONG, SR.
ATTY. EMILIANO C. REYES
MR. RONALD BARCENA
MR. GEORGE JT D. ALIÑO II.

Other Officers/Attendees:

Mr. Carlo Luis Rabat	-	NHMFC Representative
Atty. Angelo Murillo	-	DOF Representative
Ms. Lynnette Redublo	-	DILG Representative
Atty. Junefer Payot	-	SHFC EVP
Atty. Leo Deocampo	-	SHFC OIC-SVP for Operations
Atty. Melanie B. Valenciano	-	SHFC Acting Board Secretary

Other SHFC Vice-Presidents and Managers

A. CALL TO ORDER

The Department of Human Settlements and Urban Development (DHSUD) Secretary Eduardo Del Rosario called the 03-2021 Board Meeting to order at 10:33 a.m.

B. DETERMINATION OF QUORUM

At the onset, the Acting Board Secretary Atty. Valenciano, announced that out of the eleven (11) Members with one (1) vacancy, there are six (6) who are present, thus there is a quorum to do business. During the videoconference,² the following are the attendees joining the meeting from their respective locations:³

¹ Zoom videoconference platform

² Zoom Videoconference platform

³ SEC Memorandum Circular No.6, Series of 2020

1. Secretary Eduardo Del Rosario joining from DHSUD Building, Quezon City;
2. Atty. Arnolfo Ricardo Cabling from Davao City
3. Atty. Ryan Lita from Paranaque;
4. Mr. Lyndon Catulong Sr. from Davao City;
5. Atty. Emiliano Reyes from Mariveles, Bataan; and
6. Mr. George JT Aliño II from Quezon City

During the meeting, Director Ronald Barcena joined in at 10:40 a.m. Thus, there were seven (7) Directors who are present in the meeting.

Atty. Valenciano welcomed Mr. Carlo Luis Rabat as the representative of National Home Mortgage Finance Corporation (NHMFC) to the SHFC Board Meeting. It should be noted that Mr. Rabat is the newly-appointed NHMFC President *vice* Dr. Felixberto Bustos Jr. He will attend the Board Meeting as an observer in the meantime pending the nomination and selection processes of the Governance Commission on GOCCs (GCG) as an Appointive Director of SHFC.

C. DELIBERATION / APPROVAL OF THE AGENDA OF THE 03-2021 BOARD MEETING

Atty. Cabling manifested to include the following in the Agenda: 1) Seek Authority to issue and release the FY2020 Financial Statement; and 2) Grant of Authority to SHFC Officer to process the Meralco Refund.

The Members of the Board approved the Amended Agenda for the 03-2021 Board Meeting.

D. APPROVAL OF THE MINUTES OF THE 02-2021 BOARD MEETING

Atty. Valenciano informed the Board that the Minutes of the 02-2021 Board Meeting were sent to the Directors on 19 March 2021.

Secretary Del Rosario had reminded the Members of the Board they are given seven (7) days from the receipt of the Minutes to comment. If there are no comments or correction, then the Minutes is deemed approved.

Thereafter, the Members of the Board took upon the Chair's exhortation that *sans* timely comments or correction deems approval of the Minutes of the 02-2021 Board Meeting.

E. DISCUSSION OF MATTERS-ARISING FROM THE MINUTES OF THE 02-2021 BOARD MEETING AND CONTINUING MATTERS-ARISING

Executive Vice President (EVP) Atty. Junefe Payot presented the following Actions Taken by the Management on the directives issued by the Board during the 02-2021 Board Meeting as well as the continuing Matters-Arising, thus:

1 **a) Directors and Officers Liability Fund**

- 2
- 3 ✓ Proceed with the procurement of a consultant to conduct the feasibility study on the
4 establishment of the Directors and Officers Liability Fund (DOLF);

5

6 Request GSIS for an updated proposal on the Directors and Officers Liability
7 Insurance (DOLI) coverage for SHFC;

8

9 Submit and report to the Board comparative assessment of the proposals for
10 determination between DOLF or DOLI coverage

11

12 **Action Taken:**

13 The Management received a proposal of a consultant to conduct the feasibility study
14 in the amount of P1.4 million for 10 months.

15

16 The Management is in the process of completing the documentary requirements of
17 GSIS in the application for DOLI.

18

19 The Management will present to the Board the comparative assessment as soon as
20 they obtain the proposal from the GSIS.

21

22 **b) Conduct of Appraisal by Third Party Sources**

- 23
- 24 ✓ The Management was directed to do the following:

- 25
- 26 1. Continue negotiation with the HDMF (PagsIBIG) and other financing institutions
27 (Landbank of the Philippines (LBP) and the Development Bank of the
28 Philippines) to provide assistance to SHFC in the appraisal of projects in locations
29 covered by their regional offices.
- 30 2. Prioritize the crafting and fine tuning of the Memorandum of Agreement (MOA)
31 with these institutions for conduct of the property valuation of SHFC projects.

32

33 **Action Taken:**

34 The Management has had two meetings with the LBP and DBP regarding the loan
35 facility to be made available to SHFC-accredited contractors. Parts of the agreements
36 being negotiated are:

- 37 1. Free appraisal of the projects of the contractors who availed of the general
38 contractors' loan from the banks; and
- 39 2. Free land valuation appraisal for SHFC for every big turnkey project enrolled
40 under the arrangement.

41 As to the appraisal of the 10 priority projects that were submitted to and considered
42 by the LBP, appraisal shall commence after the Holy Week. They will complete the
43 activities/documents required under the procurement law within this week.

44

45 **c) Responsableng Samahang Pampamayanan Village HOAI**

- 46
- 47 ✓ The Management was instructed to:

1. Finalize the contract with CDJ Construction which shall contain provisions for automatic termination and liability for damages in case of non-compliance.
2. Require CDJ Construction to resume project construction following the execution of the new contract.

Action Taken:

This is part of the agenda of the present Board meeting to be reported by VP Atty. Tresvalles.

d) Gumamela Neighborhood Association Housing Cooperative

- ✓ Negotiate with the contractor to resume project completion with the following considerations:

1. Completion of 600 units, according to the 2014 price ceiling at Php450,000.00 package.
2. Priority will be the original member-beneficiaries. Consent of these MBs for the following shall be secured: (a) additional loan to cover add-ons and price escalation (b) new contract with the same contractor.
3. Another proposal shall be prepared for the remaining 749 units

Action Taken:

The SHFC Management came up with proposals which shall be expounded by VP Engr. Calimlim.

Thereafter, the Board took due cognizance of the Matters-Arising reported by the Management.

I. FOR DELIBERATION

1. OPENING OF BANK ACCOUNTS FOR MARAWI SHELTER PROJECTS

The Management, through OIC-VP for Treasury Mr. Jason Yap presented the proposal for the opening of bank account for Marawi Shelter Projects with: 1) Landbank of the Philippines; or 2) Development Bank of the Philippines.

Thereafter, the Board approved the following:

1. To open Bank Account for MARAWI SHELTER FUND with;
 - Land Bank of the Philippines; or
 - Development Bank of the Philippines

2. Authorized Signatories for MARAWI SHELTER FUND ACCOUNT

Primary	:	Atty. Arnolfo Ricardo B. Cabling - President
Alternate	:	Atty. Junefe G. Payot – Executive Vice President
Counter Signatory	:	Jason C. Yap – Acting VP- Treasury Department

1 **Alternate 1 : Ruben C. Laset- OIC SVP, CGG**
2 **Alternate 2 : Atty. Leo Deocampo – OIC SVP, Legal Department**
3
4

5 **2. GRANT OF OMNIBUS AUTHORITY TO THE SHFC PRESIDENT TO SIGN**
6 **THE MEMORANDUM OF UNDERSTANDING WITH DIFFERENT LGUS**
7

8 The Management, through VP for Program Development and Enhancement, Atty. Maria
9 Rosalie Richa Taguian, presented the request for authority to sign Memorandum of
10 Understanding with the Local Government Units (LGUs).
11

12 The following are her presentation:
13

14 Legal Mandate
15

16 **CMP Corporate Circular 19-052**

17 **Sec. 1 on Statement of Policy**

18 "XXX ...SHFC recognizes the need for collaboration and strong partnerships with National
19 Government Agencies (NGA) and **Local Government Units (LGU)**, the Private Sector (PS),
20 and Non-Government Organizations (NGO), Civil Society Organizations (CSO), and
21 People's Organizations (PO), to establish and create empowered, sustainable, and resilient
22 communities."
23

24 **CMP Corporate Circular 19-052**

25 **Sec. 2 on Definition**

26 "Partner Local Government Unit (LGU) refers to Local Government Unit with an existing
27 **Memorandum of Understanding with SHFC** under which the said LGU agrees to be a
28 CMP partner generally undertaking the role of: (a) community organizer, (b) landowner, and
29 / or (c) developer / contractor for informal settler families who wish to enroll in the
30 community mortgage program. To perform such roles, they have to sufficiently establish that
31 they have designated a specific department, unit, or personnel, competent to perform the
32 expected duties and responsibilities of each."
33

34 LGU Obligations under the MOU
35

- 36 1. Act as CMP-Partner of SHFC and implement the latter's social housing programs
37 such as but not limited to CMP and its modalities, including LGU-initiated, Vertical
38 Housing, Turnkey, Industrial Workers, Mixed-Use, Sectoral, Farm-Lot and Culturally
39 Sensitive CMPs;
- 40 2. Identify a pilot project for socialized housing to be financed by SHFC within twelve
41 (12) months from the signing of this Memorandum either through land refinancing,
42 LGU-initiated, vertical housing, farm lot and sectoral housing;
- 43 3. Establish a local one-stop shop to efficiently process requests for titles, clearances,
44 permits, certifications, and other documentary requirements for land acquisition, site
45 development and house construction for SHFC's project/s (proposed one-stop shop
46 process flow is herein attached as Annex A for LGU's guidance);

4. Assist in securing Zoning Certificate, LGU Certification on Site Suitability or Comprehensive Land Use Plan (CLUP) and the Preliminary Approval and Locational Clearance (PALC);
5. Identify a unit or task force within the LGU which shall facilitate the socialized housing projects of SHFC;
6. Provide logistical support during the course of the social preparation and project development;
7. Expedite the processing of documentary requirements necessary for SHFC's approval of the project/s;
8. Assist in organizing the community associations particularly in social preparation phase by conducting census-tagging and identifying the eligible member beneficiaries;
9. Assist the community associations and facilitate the completion of SHFC's documentary requirements including the post take-out phase (i.e. requirements in the subdivision of the property, transfer of the title registration from landowner to community association etc.);
10. Provide a venue for the conduct of activities to facilitate the processing of housing programs of SHFC;
11. Provide technical assistance to community association in the subdivision of the property including the conduct of re-blocking and implementation of the subdivision plan or provide protection measures to benefit communities living along critical areas, if necessary;
12. Support the community associations in the upgrading of their communities, including providing access to livelihood and basic services and facilities;
13. Assist the community associations in the resolution of the issues of recalcitrant ISFs;
14. Act as mediator on issues of substitution of community associations members;
15. Assist the community associations in their collection efforts;
16. Monitor feedback from the community associations regarding issues on CMP and SHFC;
17. Support a low-cost, eco-friendly, gender-responsive and climate/disaster-resilient housing design that is aligned with the needs of vulnerable group (women, children, elderly, and PWDs) in the community of Informal Settler Families under the Community Mortgage Program;
18. Assist SHFC in the following Gender and Development (GAD) initiatives:
 - a) Conduct of gender sensitive trainings for member beneficiaries and other gender and development trainings needed by the community;
 - b) Gather sex and gender disaggregated data;
 - c) Conduct regular consultations on the ground to determine existing gender issues within the community; and
19. Promote the social housing programs of SHFC and the Citywide Community Upgrading Strategy.

SHFC Obligations under the MOU

1. Assess the viability of identified project sites/lots;
2. Finance partner LGU's socialized housing project initiatives (Lot Acquisition, Site Development and House Construction Loan) subject to SHFC's applicable guidelines, rules and regulations, and budgetary capacity;

3. Provide updates/ information to concerned partner LGU's on the status of accredited CMP-Mobilizers handling projects financed by SHFC;
4. Liaise with other government agencies to expedite the documentation processing and requirements during the implementation period;
5. Conduct briefing and orientation to partner LGU's regarding SHFC's housing programs and the Citywide Community Upgrading Strategy;
6. Conduct consultations and project cliniquing to partner LGUs;
7. Assign SHFC personnel to assist in the project development of housing programs of partner LGUs;
8. Establish a feedback mechanism on the status of all housing projects of partner LGUs;
9. Assist in the resolution of issues regarding recalcitrant ISFs, including substitutions of member-beneficiaries on SHFC housing programs;
10. Pursue a low-cost, eco-friendly, gender-responsive and climate/disaster-resilient housing design, trainings and documentations that is aligned with the needs of vulnerable group (women, children, elderly, and PWDs) in the community of Informal Settler Families under the Community Mortgage Program; and
11. Provide an annual listing and status of SHFC housing projects.

Secretary Del Rosario commended the move of SHFC to enter into a MOA with the LGU considering that this is now the direction of the DHSUD. He informed the Board that they already talked directly with the LGUs so that based on their Comprehensive Land Use Plan (CLUP) and the local shelter plan, they will have an idea of what the LGUs would need the assistance because of the preponderance of the number of the ISFs in their respective locality. He also added that he has already given instructions to the Regional Directors of DHSUD for the latter to lead directly with the different LGUs and possibly come up with a partnership to implement the housing projects and prioritizing LGUs which would like to provide assistance to the growing number of ISFs.

Atty. Reyes moved the motion for approval considering that it is really a good move to strengthen the understanding with the LGUs.

After thorough deliberation, the Board approved the delegated authority to SHFC President to enter into Memorandum of Understanding with different Local Government Units on behalf of SHFC.

5. RATIFICATION OF THE MEMORANDUM OF AGREEMENT (MOA) SIGNED BY SHFC AND DHSUD REGARDING BALAI-NET

The Management, through OIC-SVP for Legal Asset Management and Partners Atty. Leo Deocampo, presented the request to ratify the Memorandum of Agreement signed by SHFC and DHSUD regarding the Balai-Net Community WiFi Project.

The following are his presentation:

Reference

Memorandum of Agreement

- **First Parties.** Department of Human Settlements and Urban Development (DHSUD); National Housing Authority (NHA); Social Housing Finance Corporation (SHFC)
- **Second Parties.** Alpha-3 Technologies, Inc.; Alcatel-Lucent Enterprise; Trends and Technologies; GBU Biz International Holdings; Macro Asia Tera Information & Communications, Inc.

Recitals

- ALPHA-3 introduced their Wi-Fi Product, the Community Wi-Fi called **BALAI-NET**
- BALAI-NET is a fast, secured community Wi-Fi service that aims to provide household affordable internet
- ALPHA-3 is a Systems Integrator of technology companies that aims to provide Filipino Communities quality and highly reliable Wi-Fi connectivity
- Section 7 of the DHSUD Act IRR states that “The Department ... shall promote and encourage partnerships between the government and private sectors or non-government organizations (NGOs) for the provision of decent housing, suitable living environment and expanded economic opportunities especially for the homeless and underprivileged

Features of the Wi-Fi Service

- Bandwidth of up to 100 mbps per household for every relocation site will be made available for usage as a whole or by sections of each relocation site
- Guaranteed 99.99% UPTIME
- Redundant network

Responsibilities of Alpha-3

- Ensure the consistent availability and quality of the Internet service in the agreed relocation sites, except for cases or incidents that are beyond the control of ALPHA-3
- Have sole administration over the operation and features of the Wi-Fi service
- Install necessary network infrastructure or make necessary repair, maintenance, modification or upgrade.
- Install and maintain commercial-grade equipment with no cost to First Parties
- Pay all related fees for permits and licenses relative to implementation and installations
- Provide First Parties with technical assistance or troubleshooting guidelines
- Provide poles to serve as mount for the Wi-Fi equipment
- Follow and execute non-disclosure agreement to its key partners and all other individuals who may be involved in the implementation of the project

Responsibilities of DHSUD

- Identify and nominate the priority relocation sites for the initial launching of the program
- Assist ALPHA-3 for the sufficient access and leeway to promote the Wi-Fi service at designated locations

- 1 ➤ Being the executive department responsible for the management of housing and
2 related development in the Philippines encompasses a recommendatory function and
3 all information to be provided to ALPHA-3 shall be subjected to non-disclosure
4 agreement
- 5 ➤ DHSUD Regional Offices, in coordination with NHA and SHFC Regional Offices
6 shall assist ALPHA-3 in the initial introduction of the BALAI-NET services to HOAs
7 in identified resettlement sites
- 8 ➤ Recommend 50 to 100 resettlement sites per year with 1,000 or more households per
9 resettlement site as first priority; and resettlement with 500 but less than 1,000
10 households as second priority
- 11 ➤ SHFC Regional Offices shall assist ALPHA-3 in the initial introduction of the
12 BALAI-NET services to HOAs in identified resettlement sites
- 13 ➤ Provide the names, locations, number of units and residents, floor plans, sites
14 development plan and other pertinent data about the relocation sites necessary for the
15 installation and operation of equipment for the provision of the Wi-Fi service

16 17 Use of the Service

- 18
- 19 • The Internet service shall at all times be made available to the public, except in the
20 event of force majeure/fortuitous event, repairs, maintenance, upgrade, replacement
21 and similar activities
 - 22 • Once the Internet facility is installed and operational, **payment for the internet**
23 **usage from users / residents shall apply.**
 - 24 • The use of the internet service is **voluntary** on the part of every household subscriber.
 - 25 • The availability of BALAI-NET is purely to provide a ready and added option to
26 community.
 - 27 • Any household who chooses to access the internet facility is **not mandatory nor**
28 **exclusive** in nature.

29 30 Value-Added Services

- 31
- 32 ✓ Zones will be connected using Wireless Backbone with LOS for fast deployment
 - 33 ✓ Laying of 2x12 Core Fiber will be deployed to support connectivity or increase of
34 subscribers' demand
 - 35 ✓ Triple Play (internet, voice and video on demand) future service

36 37 Nature of Service

- 38
- 39 ❖ The use of the internet service is **voluntary** on the part of every household subscriber.
 - 40 ❖ The availability of BALAI-NET's connectivity facility is purely to provide a ready
41 and added option to the community.
 - 42 ❖ Any household who chooses to access the internet facility is **not mandatory nor**
43 **exclusive** in nature.

44 45 Effectivity

1 The Agreement shall take effect **immediately** upon signing and shall remain valid and
2 effective for a term of **10 years** to be automatically **extended for another 10 years** unless
3 terminated by either party.

4
5 Atty. Reyes asked how much is the monthly payment to be collected from the ISFs for the
6 WiFi Community Project. Atty. Deocampo answered that the fee has not been discussed.
7 However, the commitment of Alpha-3 is that the rates that will be given to the Community
8 Associations (CAs) will be reasonable and probably the lowest in the market.

9 Secretary Del Rosario informed the Board that in the discussion with their groups, Alpha-3
10 committed that their services fee will be between PhP650 to PhP700 compared to the
11 monthly rate of Globe and Smart amounting to PhP999. This means that the said company is
12 proposing 30% less of the industry standard. This will be beneficial to low income families
13 who are in need of the subscription. Moreover, the installation of the infrastructure for this
14 project will be totally free of charge. Atty. Reyes commented that it is a very good added
15 bonus.

16 Secretary Del Rosario pronounced that the direction of SHFC is that all projects should
17 include in the package of the Wifi connectivity being offered by different company. It should
18 be noted that it should be free of charge which will be their demand to the service provider.
19 He added that if this proposal will work and help the communities then they will impose that
20 the connectivity will be mandatory in all settlements so that the settlements will not be left
21 alone with respect to the connectivity.

22 Atty. Reyes asked if this will not be mandatory to the ISFs if they cannot really afford the
23 additional burden. Secretary Del Rosario answered affirmatively.

24 **After thorough deliberation, the Board approved to ratify the Memorandum of**
25 **Agreement among DHSUD, NHA, SHFC and ALPHA-3 Technologies, Inc, Alcatel-**
26 **Lucent Enterprise, Trends and Technologies, GBU Biz International Holdings, Macro**
27 **Asia Tera Information & Communications, Inc. on the BALAI-NET.**

28 29 30 **6. CLARIFICATION ON THE REQUEST FOR A THREE-MONTH** 31 **MORATORIUM FOR TYPHOON ULYSSES VICTIMS** 32

33 The Management through VP for Recovery Projects Ms. Annicia Villafuerte, presented the
34 request for clarification on the request for a three (3) month Moratorium for Typhoon
35 Ulysses' Victims.

36
37 The following are her presentation:

38 39 Background 40

- 41 • On 8-12 November 2020, Typhoon Ulysses made three (3) landfalls during its
42 traverse over the country and affected almost the entire Luzon;
- 43 • 12,391 CMP and 167 HDH Project beneficiaries were affected by the Typhoon and
44 requested assistance from SHFC;

- On 23 December 2020, the Board approved the release of Emergency Housing Repair Assistance, with the following instructions:
 - Immediate conduct of final validation of affected beneficiaries;
 - Release of assistance with actual site photos and acknowledgement receipt.
- SHFC Board instruction to craft policy guidelines on Grant of financial assistance to victims of calamities, including interim guidelines on the release of assistance to calamity affected communities.
- On 15 January 2021, the interim guidelines for the release of assistance were presented to GPN Committee. After thorough deliberation, the following were recommended:
 - Management to present another proposal to the Committee on refocusing its use to fund the mitigating measures against hazard.
- Clarifications on the grant of 3-month moratorium on payments of amortization were made during the Committee meeting.

Updates

- Meeting with the Office of Civil Defense (OCD) regarding the access of DRRM funds for projects:
 - Resettlement program for CMP Communities affected by calamity;
 - New Settlements for families affected by disasters/calamities in partnership with the Local Government Units;
 - Discussions on the access on Quick Response Fund of DRRM
- Secured copy of SHFC Board of Directors Resolution No. 315, series of 2012, approving the grant of 6-month moratorium to all CMP areas affected by natural calamities, pursuant to HUDCC Resolution No. 1, series of 2012.

Director Catulong sought clarification if there is an interest or penalty for the Member-Beneficiaries who cannot pay within the three (3) month moratorium. Ms. Villafuerte clarified that actually the moratorium will just be suspending the collection of payment for three (3) months. After the three-month period, the payment for the three (3) months will be collected lump sum. There will be no charges or penalty for the said period.

Director Catulong then asked as to when the MBs will pay for the fees accumulated in the three (3)-month period and whether their amortization years will be extended for three (3) months. Ms. Villafuerte answered that on the 4th month, the MBs will pay the fee for four (4) months including the amortization accrued in the three (3) month moratorium.

Director Catulong commented that it may be difficult for the MBs to pay that much. Secretary Del Rosario also commented that he thinks that is not right.

Atty. Valenciano mentioned that during the approval for the moratorium in 2020, what was approved is that the loan period will be extended. Secretary Del Rosario commented that it should be the same for Typhoon Ulysses. Ms. Villafuerte remarked that SHFC can adopt the same.

Secretary Del Rosario then asked the policy direction of SHFC regarding the imposition of moratorium. Atty. Cabling answered that he thinks the Management proposed previously to adopt the Bayanihan Act scheme that the loan will be automatically extended for another

1 three months. However, the practice was that the MBs will pay everything in the 4th month
2 which is also in accordance with the policy approved in 2012.

3 Secretary Del Rosario commented that the policy should be changed considering that it will
4 be useless if the MBs will be paying everything in the 4th month if they cannot even pay.

5 Secretary Del Rosario then asked as to why it will be a three (3) month moratorium
6 considering that there was already a three (3) month moratorium implemented for Bayanihan
7 Act. Ms. Villafuerte explained that the Bayanihan Act 2 ended around 16 December 2020,
8 hence, they added three (3) months to that – January 2021 to March 2021.

9 Secretary Del Rosario then commented that maybe the moratorium is already too much
10 considering that there was a five (5) month moratorium that was implemented in 2020. He
11 added that actually during the Typhoons Ulysses and Rolly, there was a moratorium in place.
12 He then asked as to why the Management is proposing for another moratorium.

13 Atty. Cabling answered that the moratorium is only for those affected by the Typhoon. Ms.
14 Villafuerte further explained that the moratorium is pursuant to SHFC Board Resolution 315,
15 Series of 2012, which provided for the six-month moratorium for the victims of calamities.
16 However, at the time the Typhoon happened, the moratorium imposed by Bayanihan Act was
17 already in effect. She likened this situation with the earlier approval of moratorium for
18 Typhoon Rolly. She added that they added three (3) months to the moratorium of the
19 Bayanihan Act to satisfy the six (6) month moratorium required by the said Board
20 Resolution.

21 Director Catulong manifested his worries wherein if the MBs are already given a moratorium
22 for six (6) months because they are affected by a calamity and another calamity again
23 happened, will they be given another moratorium. Ms. Villafuerte answered that they will
24 again be given as long as there is a disaster and there is a declaration of calamity by the
25 locality or the National Government. The resolution provided that the moratorium for
26 calamities will be given regardless whenever it happens for as long as the communities are
27 affected by the disasters.

28 Director Catulong commented that he thinks there is a loophole in the resolution wherein the
29 moratorium will be added to another moratorium considering that if there will be two (2)
30 declarations for calamities then what will happen. Atty. Cabling answered that the approval
31 for the moratorium will be assessed by the Board from time to time. The request for
32 moratorium will be presented to the Board every time there is a calamity.

33 Secretary Del Rosario added that it should be written in a case-to-case basis. Atty. Cabling
34 affirmed the said comment of the good Secretary. He also added that they can amend the
35 previous resolution and henceforth, the grant of the moratorium should be given in a case-to-
36 case basis. Director Catulong moved to amend the previous Board Resolution.

37 Secretary Del Rosario then asked the number of the victims of Typhoon Ulysses who are
38 MBs of SHFC. Ms. Villafuerte answered that it is around 13,000.

39 Secretary Del Rosario again asked the Management if they have already assessed the
40 magnitude of the damages on the MBs' houses. Ms. Villafuerte explained that they have
41 categorized the damages based on the water level considering that the calamity is flooding.
42 She added that what they presented in the previous GPNCOM meeting, if the house is

1 submerged in water with 4 feet of height, then it is declared as totally damaged. The decision
2 of the GPNCom was to focus the budget to more lasting mitigating measures to prevent
3 flooding such as riprapping and diking instead of giving the money outright to the MBs
4 affected.

5 Secretary Del Rosario commented that anyway the Board decided that henceforth they will
6 come up with a more flexible resolution that will address the existing issues on a case-to-case
7 basis. It should be based on the category or damages on the housing units.

8 As the discussion continued, Secretary Del Rosario then asked if it is too late the hero if this
9 will be implemented considering that it is already the end of March and the moratorium will
10 start in January. He also asked what about those MBs who already paid their monthly
11 amortization for said period. It means they are capable to pay.

12 Ms. Villafuerte explained that the ones who will benefit from the moratorium are those who
13 has really no capacity to pay considering that they will not pay as well as they will not incur
14 penalties. For those who already paid, that is okay too.

15 Secretary Del Rosario commented that what will happen is the reconciliation of their records.
16 He then added that it is logical that the effectivity for the said moratorium will be from 1
17 January 2021 to 31 March 2021. Ms. Villafuerte then appealed to the Board that the
18 effectivity will start when the Bayanihan Act 2 ended so that the MBs will not be penalized
19 1% of their amortization due. The fifteen (15) days from the end of Bayanihan Act 2 to 1
20 January 2021 has an equivalent monetary value of penalty charged to the borrowers.

21 Secretary Del Rosario then asked as to when the Bayanihan Act 2 ended. Atty. Valenciano
22 answered that it will be until 19 December 2021.

23 Secretary Del Rosario then pronounced that the moratorium will be from 20 December 2020
24 to 19 March 2021.

25 Atty. Lita recommended that the next time there will be a request for moratorium of
26 payments, the Management should also present the fiscal implication of the moratorium to
27 the collections for a period of one year as well as to the income of the Corporation.

28 Secretary Del Rosario commented that the recommendation of Atty. Lita is valid. He added
29 that if the Management will present, they should also look at the big picture to avoid the issue
30 on the continuity.

31 Atty. Reyes then recommended parking this matter in the meantime considering that there is
32 an instruction from the good Secretary to make amendments on the presentation of Ms.
33 Villafuerte to include the "total picture". Director Catulong subscribe to the recommendation
34 of Atty. Reyes so that Ms. Villafuerte will be given a chance to complete her
35 recommendation incorporating his comments as well as the comments of Atty. Lita and
36 Secretary Del Rosario.

37 Secretary Del Rosario recommended that the Board can approve this matter in principle
38 subject to the complete presentation in the next Board Meeting so that the moratorium can be
39 implemented. He added that the Board would like to be informed of the impact of this
40 moratorium as well as the number of families that will avail the moratorium to be presented
41 in the next Board Meeting.

After thorough deliberation the Board approved in principle, the requested (3) three-month moratorium for Typhoon Ulysses victims from 20 December 2020 to 19 March 2021.

In the next Board Meeting, the Management shall report on the complete guidelines, in accordance with the following instructions:

- a. The presentation of data on the number of MBs availing or have availed of the moratorium;
- b. The presentation of fiscal implication of the moratorium on the collections and income of SHFC;

Likewise, the Management was advised to craft flexible guidelines on the grant and/or implementation of moratorium for CMP/HDH areas, affected by natural calamities, amending or repealing Board Resolution No. 315, Series of 2012 with the following recommendations, to wit:

- a. Grant of moratorium will be on “case-to-case” basis, based on the category of destruction or damages to housing; and
- b. Automatic loan extension of (3) three-months instead of lump sum payment after moratorium.

7. TURN-OVER OF THE 1ST BATCH OF THE HOUSING UNITS IN MARAWI AND UPDATES ON MARAWI PROJECTS

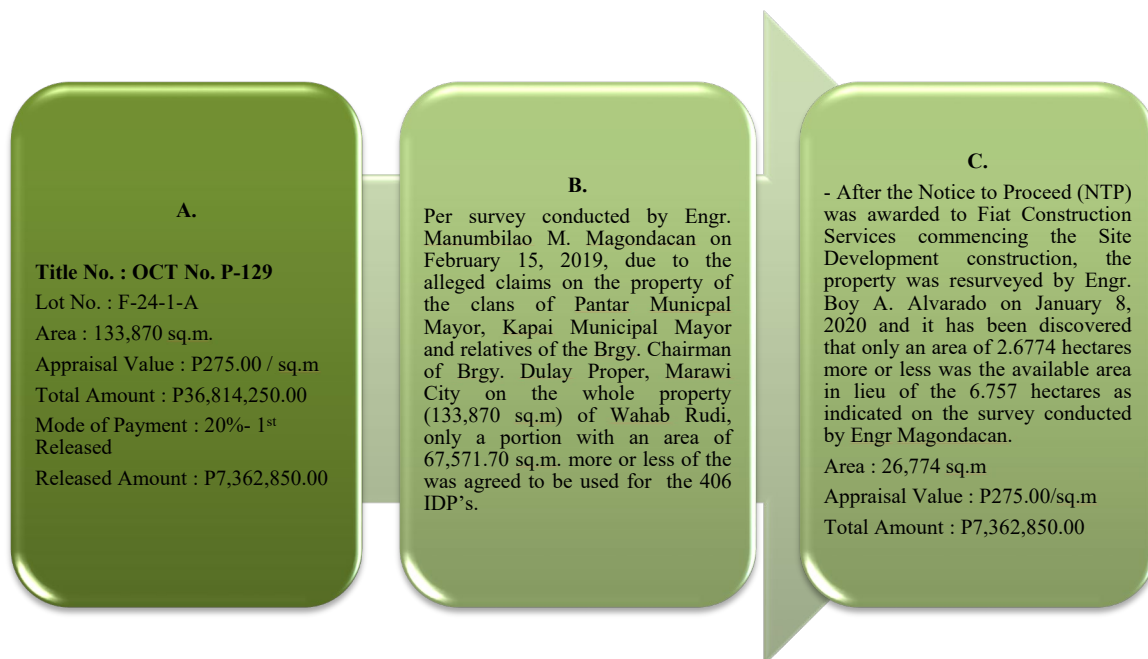
As a continuation of Ms. Villafuerte’s presentation, she presented the Updates on Marawi Shelter Project Phase 1 which is the inauguration of Marawi Shelter Project Phase 1 last 25 February 2021. Atty. Cabling turn-overed the MSP Phase 1 to LGU-Marawi on the same date.

Retaining Wall and Slope Protection at Marawi Shelter Project Phase 1

I. ORIGINAL WORK SCHEDULE	
Date Started:	October 14, 2020
Date of Completion:	January 15, 2021
Duration of Completion:	60 Working days
Percentage of Accomplishment:	1.02% as of October 30, 2020 for the Installation of Coconet
Issue/s:	Stoppage of work for 8 weeks due to the complaint of the 50 residents on the construction of the riprap. The residents are requesting that the other side of the riverbank on which they are residing should also be riprapped.
Solution on Issue/s:	- A letter dated December 10, 2020 was issued by this office, with the knowledge of Brgy Chairwoman Farhanah M. Pandao of Brgy. Dulay West, Mayor Majul U. Gandamra of Marawi City and Farouk M. Macarambon Sr. of Fiat Construction Services to resolve the matter. However, when the riprapping resumed, the residents again halted the construction, reiterating their proposal to include the other side of the riverbank riprapped, thus delaying its completion. -On March 3, 2021, SHFC proposed a solution in a meeting attended by all the parties concerned paving the resumption of the work on March 8, 2021.

Marawi Shelter Project Phase II

A. Board Approval on the reduction of lot area for Wahab Rodi Property from 6.7 hectares to 2.6774 hectares



Mode of Payment	@ 13.387 Hac. @ P275/sq.m.	@ 6.757 Hac. @ P275/sq.m.	@ 2.6774 Hac. @ P275/sq.m.
20%- 1 st Released	P 36,814,250.00	P 18,582,217.50	P 7,362,850.00
	P 7,362,850.00	-	-
Issue/s:	Alleged Claims of the five (5) clans, to wit: a) Mayor of Municipality of Pantar, b) Gandamra Clan c) Mayor of the Mun. of Kapai, and d) Relatives of the Brgy. Captain of Dulay Proper, Marawi City, comprising 2 families on the whole property of Wahab Rudi for 13.3 hectares more or less.		

B. Board Approval on the Reduction of the Site Development cost from P107,400,000.00 to P46,781,588.32

Description	@ 6.757 Hac.	@ 2.677 Hac.
Project Cost	P 107,400,000.00 (Approved)	P 46,781,588.32
Released Mobilization of 15%	P 16,110,000.00	<ul style="list-style-type: none"> - An accomplishment of 34.436% on the Site Development compensates the released of 15% Mobilization. - Ongoing development of the 2.6774 hectares for MSP P2.
Issue/s:	Reduction of Lot area from 6.775 hectares to 2.667 hectares, due to the alleged claims on the Wahab Rudi Property;	

C. Board Approval on the Time Extension on Site Development of MSP Phase 2 from January 13, 2021 to April 15, 2021.



Kaagapay ng Komunidad sa Maginhawang Pamumuhay



Item	PERIOD (Month)	% Accomplishment		Amount (cumulative) Php	SHFC Technical	
		Target (%)	Cumulative (%)		Actual (%)	Cumulative (%)
i	Week 1	2.41%	2.41%	1,127,436.28	2.05%	2.05%
ii	Week 2	3.65%	6.06%	2,834,964.25	3.10%	5.15%
iii	Week 3	5.77%	11.83%	5,534,261.90	5.19%	10.34%
iv	Week 4	4.82%	16.65%	7,789,134.46	4.34%	14.68%
v	Week 5	4.14%	20.79%	9,725,892.21	3.52%	18.20%
vi	Week 6	3.08%	23.87%	11,166,765.13	2.62%	20.82%
vii	Week 7	3.83%	27.70%	12,958,499.96	3.26%	24.08%
viii	Week 8	4.38%	32.08%	15,007,533.53	3.72%	27.80%
ix	Week 9	4.38%	36.46%	17,056,567.10	5.77%	33.57%
x	Week 10	4.38%	40.84%	19,105,600.67	4.82%	38.39%
Week 11 to Week 34		APPROVED OF 162 CALENDAR DAYS FOR TIME SUSPENSION DUE TO COVID19 PANDEMIC. (March 18, 2020 - August 27, 2020)				
Week 35 to Week 44		RECOMMENDATION: APPROVAL OF THE TIME EXTENSION OF 67 CALENDAR DAYS DUE TO BAD WEATHER EXPERIENCED DURING CONSTRUCTION.				
xi	Week 45	5.12%	45.96%	21,500,817.99	4.61%	43.00%
xii	Week 46	7.38%	53.34%	24,953,299.21		
xiii	Week 47	7.70%	61.04%	28,555,481.51		
xiv	Week 48	11.16%	72.20%	33,776,306.77		
xv	Week 49	7.69%	79.89%	37,373,810.91		
xvi	Week 50	4.01%	83.90%	39,249,752.60		
xvii	Week 51	4.07%	87.97%	41,153,763.25		
xviii	Week 52	4.75%	92.72%	43,375,888.69		
xix	Week 53	3.74%	96.46%	45,125,520.09		
xx	Week 54	3.54%	100.00%	46,781,588.32		

As of January 27, 2021

Prepared by:

ENGR. GAZALI T. ABDULHAMID
TS IV - SHFC, MSP

1 Update of Marawi Shelter Phase III

- 2
- 3 • Updates on the Site Development
- 4

5

% ACCOMPLISHMENT	
TARGET	ACTUAL
10.85%	9.49%

6

- 7 • Updates on the House Construction by UN Habitat
- 8

9

No. of Homelots to be Turn-over to UNHabitat	Duration
66 Homelots	Until March 31, 2021

10

11 After thorough deliberation the Board approved the following:

12

13 **I. Marawi Shelter Project Phase I**

- 14 1. The time extension of retaining wall and slope protection from 5 April 2021 to 31
- 15 May 2021;
- 16

17 **II. Marawi Shelter Project Phase II**

18 **Lot Acquisition**

- 19 1. The reduction of lot area for Wahab Rodi property from 6.7 hectares to 2.6774
- 20 hectares;
- 21 2. The transfer of title to SHFC for the 2.6774 hectares; and
- 22 3. The cancellation of conditional Deed of Sale and execution of an Absolute Deed
- 23 of Sale between SHFC and the landowner;
- 24

25 **Site Development**

- 26 1. The reduction of site development cost from Php107,400,000.00 to
- 27 Php46,781,588.32 as based on actual area;
- 28 2. To amend the contract price of Fiat Construction in the amount of
- 29 Php46,781,588.32;
- 30 3. The time extension of site development of MSP Phase II from 13 January 2021 to
- 31 15 April 2021 which is the revised completion of contract date;
- 32
- 33
- 34

8. UPDATED SHFC CORPORATE PERFORMANCE REPORT FOR FY 2020

The Management, through OIC-VP for Corporate Planning Mr. Florencio Carandang Jr. presented the updated SHFC Corporate Performance Report for FY 2020.

The following are his presentation:

BACKGROUND



- ▶ During the February 19 2021 SHFC Board Meeting, the SHFC 2020 Corporate Performance was presented;
- ▶ In the presentation, financial performance data (Total Assets, Net Operating Income and Collection Efficiency) were only up to November 2020;
- ▶ It was agreed upon that an updated financial performance shall be reported as soon as financial performance data were completed/updated.

PROGRAM PERFORMANCE



2019

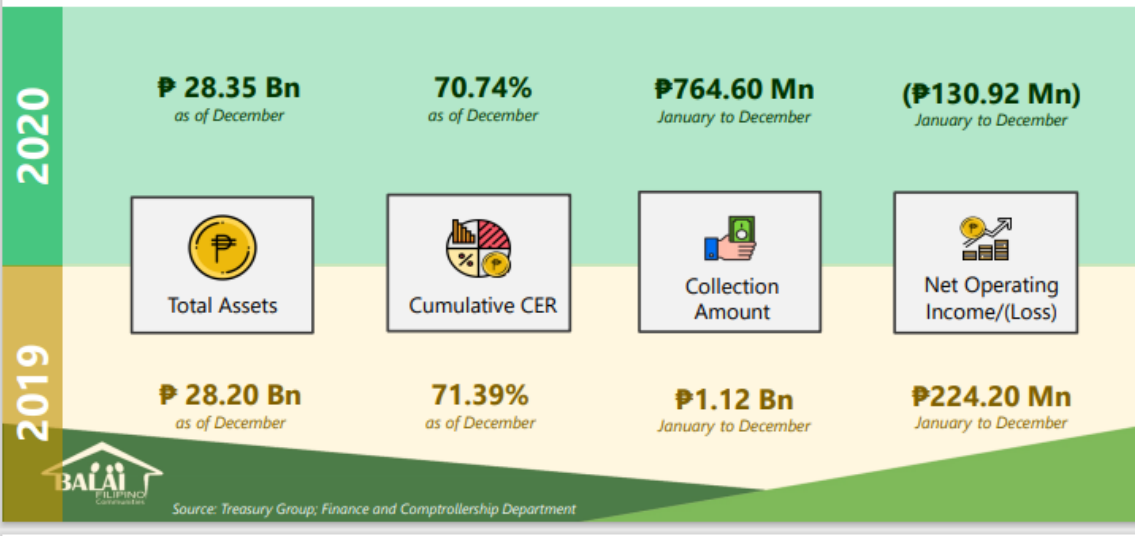
2020

No. of Projects	No. of ISFs Provided with Housing Loans and Grants	Loans Released, PhP in Millions	Programs	No. of Projects	No. of ISFs Provided with Housing Loans and Grants	Loans Released, PhP in Millions
132	29,718	1,627.35	Community Mortgage Program	59	16,737	1,304.55
5	1,140	897.50	High Density Housing Program	3	3,474	270.30
2	1,045	42.47	Marawi Shelter Program	1	406	34.19
139	31,903	2,567.32	TOTAL	63	20,617	1,609.05

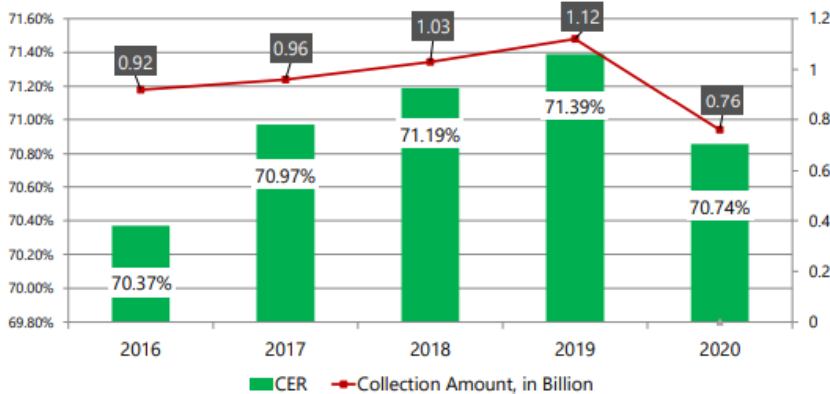
BAI AI

Activate

FINANCIAL PERFORMANCE



CORPORATE CUMULATIVE COLLECTION EFFICIENCY RATING *as of December 2020*



Despite the 3-month moratorium implemented on March 2020 and another 2-month grace period from September until November of the same year, SHFC was still able to maintain its collection through innovations and new collection strategies, which in turn helped maintain corporation's high Collection Efficiency Rating.

2020 COLLECTION PERFORMANCE vis-a-vis TARGET



COLLECTION FROM ALL SOURCES

January to December 2020

**PhP 764.60
Million**

48.39%

Accomplishment Rate

Based on the Board-Approved 2020 Corporate Operating Budget, SHFC's original target for collection is **PhP 1.58 Billion** (CMP: PhP 1.48 Bn. ; HDH: PhP 105.28 Mn).

ORIGINAL

95.81%

Accomplishment Rate

As an agreement during the 2021 Annual Corporate Planning Activity held on April 2020, the SHFC Management decided to revise the target to **PhP 798 Million** in view of the COVID-19 pandemic.

REVISED



NET OPERATING INCOME/(LOSS)

As of 31 December 2020

SHFC's Net Operating Income/Loss (Before Tax and Subsidies) as of December 2020 is in **negative amount of PhP 130.92 Million**. This was mostly due to the lower income for the year.

(In Philippine Peso)

Income	
Service and Business Income	416,659,691
Total Income	416,659,691
Expenses	
Personnel Services	280,443,669
Maintenance and Other Operating Expenses	303,611,842
Financial Expenses	3,161,787
Non-Cash Expenses	27,033,572
Total Expenses	614,250,871
INCOME/(LOSS) FROM OPERATIONS	(197,591,180)
Other non-operating income	66,670,142
NET OPERATION INCOME/(LOSS) Before Tax and Subsidies	(130,921,038)

2020 CORPORATE TARGET 165,000,000.00

Variance Over Target (295,921,038.00)



NET OPERATING INCOME/(LOSS)

Comparative Figures for CY 2019 and CY 2020



(In Philippine Peso)

2020

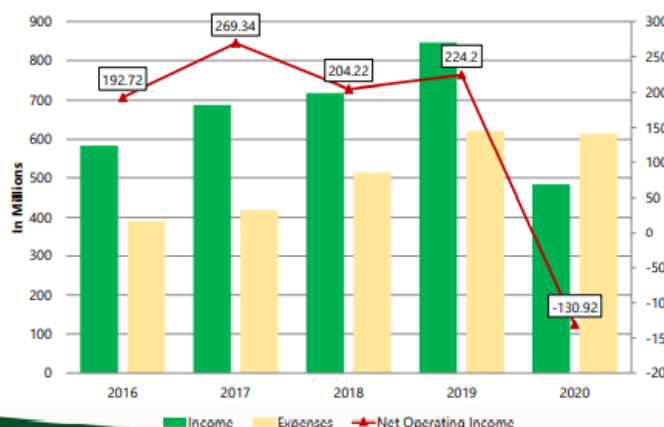
2019

INCREASE/DECREASE
2019 vs 2020

Income			
Service and Business Income	416,659,691	660,858,627	↓
Total Income	416,659,691	660,858,627	↓
Expenses			
Personnel Services	280,443,669	282,643,330	↓
Maintenance and Other Operating Expenses	303,611,843	312,369,967	↓
Financial Expenses	3,161,787	4,748,305	↓
Non-Cash Expenses	27,033,572	22,043,308	↑
Total Expenses	614,250,871	621,804,910	↓
INCOME/(LOSS) FROM OPERATIONS	(197,591,180)	39,053,717	↓
Other non-operating income	66,670,142	185,150,305	↓
PROFIT/(LOSS) BEFORE TAX	(130,921,038)	224,204,022	↓
Income Tax Expense/(Benefit)			
Current	8,333,194	23,482,191	↓
Deferred Tax	(63,037,169)	(770,334)	↓
	(54,703,975)	22,711,857	↓
PROFIT/(LOSS) AFTER TAX	(76,217,063)	201,492,165	↓
Net assistance/subsidy	427,766,158	727,506,829	↓
NET INCOME/COMPREHENSIVE INCOME	351,549,095	920,990,994	↓

Source: Finance and Comptrollership Department

HISTORICAL NET OPERATING INCOME/(LOSS)

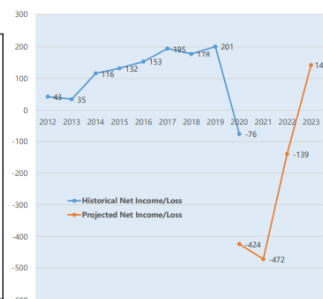


Year	Income	Expenses	Net Operating Income/Loss
In Millions			
2015	572.92	395.6	177.32
2016	584.03	391.31	192.72
2017	688.2	418.86	269.34
2018	717.79	513.57	204.22
2019	846.01	621.8	224.21
2020	483.33	614.25	-130.92
Average (2015-2019)	681.79	468.23	213.56

HISTORICAL AND PROJECTED NET INCOME/LOSS

Until 2023 (in Millions)

SHFC's Projected Net Loss for FY 2020 presented at the Board Meeting held last April 2020 was in **negative amount of PhP 424 Million**. It was also projected that for this year, it will further drop to **PhP 472 Million**.



1 Atty. Reyes asked the cash position of the Corporation to date. Mr. Yap answered that by
2 March the projection is PhP5.1 Billion. However, the restricted fund such as the funds for the
3 DOTr, DILG and Marawi projects are to be deducted yet.

4 Atty. Cabling explained that although SHFC suffered a net loss of PhP130 Million, it does
5 not mean that SHFC has zero balance in the treasury. SHFC still has money but not that much
6 considering that the budget allocated by DBM is very limited. He then asked Mr. Yap the
7 breakdown for the PhP5.1 Billion wherein the restricted fund is deducted.

8 Mr. Yap answered that the total balance wherein the restricted fund was deducted which
9 amounts to PhP1.1 Billion. However, it should be noted that there are projected expenses for
10 2021 amounting to PhP3.2 Billion.

11 Atty. Cabling also noted that this is just the breakdown of the cash on hand. There is still
12 money receivable from DBM. He then asked Mr. Yap how much is the receivable from
13 DBM. Mr. Yap answered that there will be 2020 General Appropriations Act (GAA) fund for
14 CMP amounting to PhP325 Million. Although the Special Allotment Release Order (SARO)
15 has been released, the Notice of Cash Allocation (NCA) is yet to be received by the
16 Management. For HDH, there is 2021 GAA amounting to PhP369 Million.

17 Atty. Cabling explained that these funds are already allocated to SHFC by the Congress and it
18 is just a matter of processing it and following it up with the DBM. It should be noted that the
19 release of funds by DBM is delayed wherein the funds intended for last year were not
20 released to SHFC because of the Pandemic. They used the money to fight against Covid-19.

21 Atty. Reyes then asked if the cash on hand will be sufficient to answer the obligations and
22 standing contract of SHFC with the landowners and other projects that are ongoing. Atty.
23 Cabling interjected and asked first if the obligated funds are already deducted from the
24 PhP1.1 Billion cash on hand. Mr. Yap answered in negative.

25 Mr. Yap mentioned that for those projects with LOG, as of 18 March 2021, the cash on hand
26 is PhP1.8 Billion. He then added that for 2021, they are expecting the amount of PhP550
27 Million from Usec. Lloyd Lao as well as the projected proceeds coming from securitization.

28 Atty. Reyes commented that anyway the SHFC President knows best with respect the cash
29 position of the Corporation. He said that he just asked that because they might be put in a
30 situation that SHFC is operating negatively. He then reminded the Board to be very cautious
31 in awarding projects and other expense.

32 Atty. Cabling assured the Board that SHFC is not yet operating negatively. He added that
33 operations-wise, SHFC still have sufficient money. That is why they are doing securitization
34 and before Director Bustos left, he told the Board that the securitization could be completed
35 on his birthday however Director Bustos left earlier before that. SHFC will now be in
36 negotiation with new NHMFC President Mr. Rabat to accelerate the securitization.

37 Mr. Yap informed the Board of the updates on the securitization wherein the Management
38 has sent the market standing. The Landbank has send surveys to the developers. They then
39 submitted three options wherein it is discounted and the rotation of the bond is premium. The
40 Landbank said that the securitization could be done probably in the 3rd quarter of this year.
41 The estimated net proceeds will be around PhP2 Billion. He then mentioned that SHFC has
42 done its due diligence and they already complied with all the requirements.

1 Atty. Reyes raised his worries that there are projects such as the Gumamela and RSP HOAI
2 wherein the payables will increase. Atty. Cabling explained with respect to Gumamela
3 project that the cost will not increase considering that the 600 units will be finished out of the
4 remaining money intended for the said project.

5 Mr. Carandang discussed that the SHFC Management knows that the funding and cash
6 position may be critical. Hence, as early as January, there was already a high-level
7 Management Committee meeting wherein they already made some simulations and
8 projection for the cash position this year. As an offshoot of the initial activity, they are
9 holding a collection workshop which would be starting tomorrow. As much as possible they
10 would like to analyze, research or find ways on how to improve the collection levels. This
11 collection workshop is basically sending a message that SHFC is really trying its best to
12 sustain its collection amidst the Pandemic especially in the situation that SHFC has limited
13 funding. He added that the Management would like to assure the Board that they will to get
14 those collections without forcing the MBs to pay. They will find strategies to collect. He also
15 noted that the MBs are willing to pay however they have no money to pay for.

16 Director Aliño noted the statement of Mr. Carandang. He then asked how much is the free
17 cash less the expenses and without considering the incoming funds from securitization and
18 other agencies. He again asked how much is the SHFC's target to loan out to reverse its
19 financial position from negative to positive. He further asked whether the existing projects
20 can be proposed to Congress to be part of the GAA. He then stated that they appreciated that
21 the Management is exerting efforts to address the problem.

22 With respect to the question on the existing projects that can be proposed to Congress, Atty.
23 Cabling answered that the problem with it is that the GAA for 2021 is already completed
24 hence, whatever proposal they will present to Congress will be considered for 2022.

25 Director Aliño mentioned that the other agencies are requesting funding for proposed projects
26 from DBM. Atty. Cabling informed the Board that actually he has already an appointment
27 with the Secretary of DBM on 19 March. However, when he went there, their office was
28 close because many employees are Covid-Positive. Hence, he has another appointment on 06
29 April 2021 however, he is worried considering the number of covid rate in Metro Manila is
30 increasing. He still does not know if the meeting will proceed. He does not know if it will be
31 wise and advisable for him to travel again to Manila considering the infection rate is very
32 high as well as the transmission rate. He then stated that they will assess and that they were
33 doing representations. Meanwhile, Atty. Cabling informed the Board that he was in Congress
34 in Manila and the speaker told him the he committed already PhP400 Million from his own
35 allocation for 2022 for the Negros project of SHFC.

36 Director Aliño then informed the Board that he and a certain Congresswoman talked over the
37 phone wherein the latter is requesting projects in her area. They had a conference call with
38 Mr. Jones Tomas wherein the Congresswoman presented that they have PhP300 Million
39 request in the Committee on Housing. Director Aliño then stated that he will forward this to
40 the Management so that the latter will follow up the PhP300 Million funding as an additional
41 funding for SHFC.

42 To continue the discussion, Atty. Cabling mentioned that what really happened was that the
43 projects are concentrated in Metro Manila. It should also be noted that Metro Manila is the
44 most hardly hit by the Pandemic hence, the Management could not really move. They cannot

1 go to the communities to collect because it is very dangerous and that they are also worried
2 about their health. In addition, most Member-Beneficiaries (MBs) are also jobless. Hence, the
3 Management can collect more in Visayas and Mindanao because the infection rate is
4 considerably lower than that in Metro Manila. The Management cannot even have take-out
5 projects in Metro Manila. He added that it is a lesson learned for SHFC. They have to
6 distribute the projects in the entire country so that if another Pandemic happened, it will be
7 scattered. He further added that this loss has been projected a long time ago and good for
8 other key shelter agencies because their collection is under payroll deduction while SHFC is
9 doing physical and actual collection in the ground. He assured the Board that the
10 Management is doing something to address this problem such as collecting online and
11 distributing the collection effort to all and not just for Operations.

12 Mr. Carandang added that in 2019 the monthly average collection is PhP93 Million while in
13 2020, it was downed to around PhP63 Million. Initial data for 2021 provides that the average
14 monthly collection from January to February 2021 is around PhP87.46 Million. He further
15 added that here comes the statement the clients are still willing to pay considering that the
16 family income and expenditure survey shows that the second biggest expense of the families
17 would be the housing. It is still consistent even though the Gross Domestic Product of the
18 country became low. And as far as the client is concerned, he said that they can sustain the
19 program as well as SHFC and the quality of life of ISFs.

20 Atty. Reyes sought clarification if in the collection of PhP87 Million per month the portal
21 collections like Bayad Center are already being employed by SHFC. Mr. Carandang
22 answered affirmatively. He recalled that with respect to this presentation last month, he
23 emphasized that they received a strong uptick for the digital payments. He said that it is good
24 that they employed infrastructure such as this. He said that he will remain hopeful that the
25 roll out was big and by the end of the year 70% of the population has been vaccinated already.
26 This would really help SHFC to recover because the economy is slowly returning back.

27 Atty. Valenciano reminded the Management of the pending question from Director Aliño
28 regarding how much is the free cash of SHFC and the worth of the projects to be loaned out.
29 Mr. Carandang answered that the Management has foreseen that it is certain that there is
30 funding for 15,000 ISFs.

31 Atty. Lita agreed that with the statement of the Management that they should increase the
32 Collection Efficiency Rate. He then asked what are the expenses accrued in December which
33 brought about the PhP130 Million loss considering that in November the cash position is still
34 positive at PhP30 Million. Mr. Anabe answered that there are a lot of expenses as part of the
35 accrual at the end of December. One of the big-ticket items that was accrued was the clerical,
36 janitorial and security services amounting to PhP70 Million. There are other expenses as part
37 of the accrual but it is not that expensive.

38 Mr. Carandang reminded Mr. Anabe the retirement payments as observed by the Commission
39 on Audit (COA). Mr. Dante recalled that in compliance with the COA observation to
40 determine the value of retirement gratuity and at the same time to accrue those accumulated
41 leave credits, the amount charged was around PhP7 Million in December 2020. Atty. Cabling
42 added that previously, SHFC did not set aside funds for the retirement so the COA instructed
43 the Management to set aside for the retirement gratuity. Hence, they set aside in Lump sum
44 which added as expenses in December.

Atty. Lita then asked why is the billing is given in December. Mr. Anabe answered that the billing is late at the same time the payment is late.

Atty. Lita commented that he supports the Management's move to address the situation but he said that the Board would like to be apprised how much the Management is projecting so that there will be a breakeven or to breach the loss. Aside from improving the CER, the Board would want to see the figures on how the Management projects the increase in Collection Efficiency and improvement in cash position of the SHFC. He then agreed with the statement of Director Aliño that they should also check the takeout project because that would really improve the cash position of the Corporation. He then instructed the Management to present in the next Board Meeting their catch-up plan for the cash position of the Corporation and the projection in real terms. There should also be assumptions included such as there is no takeout projects because of the Enhanced Community Quarantine and no collection because of Moratorium.

The Management noted the instruction of Atty. Lita.

After thorough deliberation, the Board noted the presentation.

The Board also instructed the following to be undertaken by the Management:

- 1) Present next Board Meeting the projection on the catch up plan for the loss to breakeven in real terms and SHFC's cash position;
- 2) Improve Collection Efficiency Rate;
- 3) Follow up the Php300 Million funding from the National Government.

**9. GRANT OF AUTHORITY FROM SHFC BOARD OF DIRECTORS FOR THE
ISSUANCE OF CY 2020 FINANCIAL STATEMENTS IN COMPLIANCE
WITH THE AUDITING STANDARDS**

The Board approved the grant of authority for the issuance of CY 2020 Financial Statements in compliance with the auditing standards.

FOR INFORMATION

**10. UPDATES ON THE GUMAMELA NEIGHBORHOOD ASSOCIATION
HOUSING COOPERATIVE**

The Management, through OIC-VP for Engineering Department Engr. Elsa Calimlim presented the updates on the Gumamela Neighborhood Association Housing Cooperative

The following are her presentation:

Project Cost

CLUSTER	No. Of MBs	LA	SD	HC	TOTAL	Cost per MB
		Amount	Amount	Amount	Amount	Amount

Cluster 1:700	48,030,955.00	75,844,027.00	275,495,241.00	399,370,223.00	570,528.89
Gumamela –	68,615.65	108,348.61	393,564.63	570,528.89	
Duplex					
Cost/MB					
Cluster 2:298	25,373,621.30	40,066,618.45	113,359,760.25	178,800,000.00	600,000.00
Intramuros –	85,146.38	134,451.74	380,401.88	600,000.00	
Duplex					
Cost/MB					
Cluster 3.1:72					600,000.00
SJDM LGU –					
Duplex	6,130,539.38	9,680,525.26	27,388,935.36	43,200,000.00	
Cost/MB	85,146.38	134,451.74	380,401.88	600,000.00	
Cluster 3.2:459					750,000.00
SJDM LGU –					
3-Storey	13,027,396.17	20,571,116.18	310,651,487.64	344,250,000.00	
Cost/MB	28,382.13	44,817.25	676,800.63	750,000.00	
TOTAL	1,529	92,562,511.85	146,162,286.90	726,895,424.25	965,620,223.00

Project Requirements

- Certificate of Availability of Fund to be issued by FCD
- Performance Bond and Contractor's All Risk Insurance to be submitted by Contractor
- ARCC to submit the work and loan drawdown schedule with resource requirement per month for SHFC approval prior to signing of SD/BC Agreement.
- For Power and Water requirement, HDH must review the SD BOQ to determine if these items of work are included in the approved SD Cost HOA. Otherwise, fund requirement and source of funds must be established. Coordination with water and power providers upon project implementation is likewise necessary to ensure timely connection of power and water;
- For additional works not yet included in the revised project cost, LGU approved plans/permit for riprap works, fence, etc. must be submitted for SHFC evaluation;
- Intensified on site supervision and evaluation of project performance must be done at least once a week based on the SHFC approved work/loan drawdown schedule with resource requirement, thus, the Contractor as well as the SHFC project officer shall provide weekly report to HDH & Engineering Group every first day (Monday) of the
- SHFC to include in the Contract a termination clause provisions that in case ARCC failed to complete the 600 units (Phase 1) based on contract, LGU approved plans and specifications and approved work schedule or for whatever reasons, SHFC may automatically terminate the Contract, without notice of action and award the remaining housing units to the other Contractor;
- ARCC to commence the work immediately upon receipt of Notice of Approval of Revised Project Cost from the HOA;
- While the house construction cost was established based on price ceiling (no detailed BOQ), release of payment shall be based on the completed/turned-over housing units per SHFC approved house specifications. Otherwise, ARCC is required to submit detailed BOQ for the new house construction cost.

- 1 ▪ For site development, payment shall be made upon completion of all items of work
- 2 reflected in the approved BOQ for SD.
- 3 ▪ Overpayment shall be paid by ARCC by deducting the excess payment from every
- 4 billing request.
- 5 ▪ 10% Retention money must be deducted from the final billing. Otherwise, ARCC
- 6 shall be required to post a surety Bond to cover retention money prior to release of
- 7 final billing.

8
9 It should be noted that the Management is requesting that all units will be priced at 2018
10 price ceiling as requested by the Contractor.

11 Secretary Del Rosario then asked why there is no open facilities considering that the project
12 area seems congested. Engr. Calimlim answered that this is the approved site development
13 plan.

14 On the question as to who prepared the site development plan, Engr. Calimlim answered that
15 it is the contractor who prepared the said plan and it was approved in 2016.

16 Secretary Del Rosario commented that it seems that there is no open space in the project and
17 the 60:40 ratio for open space is not being observed. Engr. Calimlim pointed out that there is
18 an open space although it is quite small in the upper portion of the project.

19 Atty. Cabling commented that there is a plan of construction 459 units in three (3) storey
20 buildings. He then assured the Board that they will recompute and review if they will
21 sacrifice around fifty-nine (59) units for another open space.

22 Atty. Cabling also pointed out that there is a big open space between cluster 1 and cluster 2
23 which is where the transmission line will be constructed. Secretary Del Rosario commented
24 that it is not the open space he was talking about.

25 Secretary Del Rosario commented that it should be adjusted wherein if it is 1400 units then
26 reduced 100 units to have an open space. Atty. Cabling assured the Board that they will make
27 the necessary adjustment although the current plan is already acceptable to the contractor.
28 The Management will just discuss with the contractor her preference.

29 Secretary Del Rosario also remarked that they can probably include the open space in the
30 center so that in case of fire it will not go beyond to another cluster. Atty. Cabling
31 commented that he understood the sentiments of the good Secretary however, there is already
32 buildings of different stages of completion in the area being discussed by the good Secretary
33 as well as in the cluster 2. The only vacant space is in cluster 3.

34 Secretary Del Rosario then remarked that those area only with foundations can be sacrificed
35 considering that the pricing of the project is upgraded already. He added that what is
36 important is to have an open space. Atty. Cabling reiterated that the Management will do the
37 necessary adjustments.

38 Secretary Del Rosario commented that the pricing is reasonable. The demand of the
39 developers is that they would want the price ceiling to be updated again. He then added that if
40 the pricing will adopt the 2018 price ceiling, then he is okay with it. He then instructed the
41 Management to have a Technical Working group to find out if the demand of most
42 developers is valid.

1 Secretary Del Rosario commented that there is a lot of open space that can be done. He then
2 instructed the Management to include in the site development plan the construction of two (2)
3 covered courts. The budget of which will come from the Escrow of DHSUD.

4 Atty. Cabling also asked for the slope protection of the project. Secretary Del Rosario
5 informed the Board that he was told by the Mayor that the budget for slope protection will
6 come from the budget of Congresswoman Robes. Secretary Del Rosario instructed the
7 Management to validate the same.

8 Atty. Cabling noted the said information and he said that the Management will follow up with
9 the Congresswoman for the budget.

10 Atty. Cabling mentioned that there are other projects who also need slope protection and that
11 they requested their budget to be sourced from the Escrow of DHSUD. Hence, for this project
12 they will deduct the amount from their request.

13 Director Aliño apologized for the new proposal and that he will not support this one. He
14 explained that initially he does not want to change the pricing considering that there is a
15 contract in place. However, he kept an open mind because the approved amount of
16 Php300,000 is really cheap. He also added that the direction of the Board previously was to
17 construct first the 600 units with 2014 price ceiling. And for the remaining units, SHFC will
18 negotiate with the CA and come up with a new contract and new price. In the new proposal
19 that all buildings will be constructed with 2018 price ceiling, he said that he is hesitant. He
20 then asked the Management Committee their reply with respect to this matter. He added that
21 the contractor talked with him two weeks ago, and he told him that there is an existing
22 contract. If the contractor wants to modify the contract price then they should terminate the
23 contract first or amend it with the existing CA. He then reiterated that he is sorry he will not
24 support this one because he is hesitant. The 2018 price ceiling can be applied on the two (2)
25 new CAs considering that it will be a totally difference contract. However, for the existing
26 CA, he recommended to stick with the original agreement.

27 Director Aliño then noticed that Engr. Calimlim is presenting in a ballpark figure and there is
28 an absence of Bill of Quantity. He then asked what will happen if they approved this amount
29 and it will be subject to the question of the CA. This will set a precedence considering that
30 there are a lot of projects that are problematic not only the Gumamela and RSP HOAI. He
31 further added that what will happen in the next projects is that the price will always be
32 maximized to its price ceiling and what is the point of deliberating the projects if the intention
33 is to maximize them in their price ceiling. He then reiterated that if this matter will be moved
34 for approval, he will stick with the last instruction of the Board.

35 Atty. Deocampo then affirmed the statement of Director Aliño that SHFC could either amend
36 or rescind the contract of the contractor and the CA. However, this time if it is going to be
37 difficult in the long run because it will cause further delay in the project. If they will go to
38 court, the construction of the project will be stalled. They can always go to court. However,
39 as long as the CA agrees to amend the contract and stays with the same contractor, that could
40 be legally feasible considering that the contract has been entered into by the contractor and
41 the CA. SHFC only financed the project. With respect to the second matter raised by Director
42 Aliño on raising the price ceiling, Atty. Deocampo said that he thinks they can also apply the
43 same principle applied to the PNP Housing wherein the Key Shelter Agencies (KSAs)
44 increased the ceiling in the PNP projects.

1 Director Aliño commented that since Atty. Deocampo is saying the CA is amenable to amend
2 the contract then amend it. If the contractor is not amenable, then impose the contract signed
3 which cannot be terminated unilaterally. He then asked Atty. Deocampo if the contract will
4 be cancelled if there is a violation in the same. Atty. Deocampo answered that if there is a
5 violation then it can be cancelled. They can go to court.

6 Director Aliño further asked how about if there is no court intervention and judicial
7 proceedings. Atty. Deocampo answered that there is a process usually included in the
8 contract on how to terminate it. If the other party disagrees on how the other party implement
9 the procedure as stated in the contract, that is the time that the other aggrieved party can go to
10 court questioning the process of termination.

11 Director Aliño then commented that the Management has to inform the other party. And as
12 not to prolong the discussion, he said that he is keeping an open mind in the last Board
13 Meeting instruction to have the 600 units completed at 2014 price ceiling with additional
14 Php98000 for tiles, ceiling, paintworks and plastering. And the remaining units will be in a
15 new contract with a new CA wherein the price will be discussed further.

16 Secretary Del Rosario raised a query regarding the statement of Atty. Deocampo wherein the
17 CA is amenable to amend the contract. Atty. Deocampo answered affirmatively saying that
18 the Management met with the CA and the latter agreed to whatever the decision of SHFC will
19 be. If there is really a basis for the increase in price then the CA is amenable to amend the
20 contract and increase the price.

21 Secretary Del Rosario further asked if SHFC will amend the contract and all parties agreed to
22 the amended contract, then it would now be legal. Atty. Deocampo answered affirmatively.

23 Secretary Del Rosario then commented that it will be the direction of SHFC now. And if
24 everybody agrees then there will be no problem.

25 Director Aliño then asked Engr. Calimlim if her computation is right and if she is confident
26 with it. Engr. Calimlim answered that she will say yes considering that the computation is the
27 product of several options presented to the Board. Initially the one presented to the Board was
28 the RSP model wherein the completed items of work are based on the original cost and the
29 remaining works is based on the new price ceiling. Unfortunately, the contractor is not
30 amenable to it. Hence, they presented several options again and there were several
31 discussions on it. Until November 2020, the instruction of the Board to the Management was
32 to compute the 600 units at 2014 price ceiling and the remaining 759 will be at 2018 price
33 ceiling.

34 Director Aliño mentioned that the last instruction of the good Secretary was to compute the
35 price and present it. Another instruction came from him to get the consent of the CA through
36 formal communication that they are taking back their last communication that they do not
37 want to avail additional loan. He then asked regarding the last computation presented to the
38 Board. Engr. Calimlim answered that it is the Php313 Million to complete the 1349 units to
39 be discussed with the contractor. If the contractor is amenable then they will proceed with the
40 project.

41 Director Aliño reiterated his previous question if the computation of the Management is right
42 and Engr. Calimlim is sure with it. Engr. Calimlim answered affirmatively.

1 Secretary Del Rosario then asked as to why there is a discrepancy in the amount in the
2 presentation amounting at PhP572,000 and the ceiling at PhP580,000. Engr. Calimlim
3 answered that based on the Housing and Urban Development Coordinating Council
4 (HUDCC) Circular the price ceiling is PhP480,000 however the Gumamela specifications is
5 lower than the prescribed in the HUDCC Circular. Hence, the Management computed it in
6 prorated basis. Furthermore, that is why the price ceiling will be PhP471,000 for 2018 price
7 ceiling plus the add-ons, hence, it will be in the amount of PhP570,000.

8 Atty. Cabling informed the Board that he personally met with the CA through Zoom Meeting
9 and he told them that even during that time, it was impossible to construct a house wherein
10 the housing component approved was PhP196,000. The loan of the CA is only PhP300,000
11 inclusive only of site development and housing construction. Hence, problems arose in the
12 project and it caused delays. And because of these delays, the housing units are exposed
13 outside the weather conditions which resulted in dilapidation and depreciation. If you
14 consider this dilapidation and depreciation, they entailed additional cost. The CA now said
15 that just to finish the project, they will agree so that there will be no detailed computation.
16 They will just borrow PhP570,000 just to finish the project considering that they will just add
17 PhP100,000. The CA said that they are willing to amend the contract and to enter into a new
18 contract with the contractor. Hence, the Management is considering that as another factor in
19 their proposal now. His second point was that, there might be pointing fingers on who is to
20 blame for the delays. But the fact remains that there is a delay that cause the dilapidation and
21 depreciation and there is a corresponding cost for it. His third point was just to come up with
22 a win-win solution rather than wasting the money of the government amounting to around
23 PhP300 Million which was already disbursed. They better amend the contract to recover the
24 money disbursed and to use it to its intended purpose which is to provide housing to ISFs in
25 waterways of Metro Manila. He then encouraged the Board to come up with a total
26 computation because after all the Intramuros has agreed that their loan will be PhP600,000.
27 The new CA will probably agree because the price is the current price ceiling. If the
28 Commission on Audit will ask, he will just say that rather putting this project into waste,
29 SHFC has come up with a win-win solution. With respect to the lot acquisition cost for the
30 CA of Intramuros and San Jose Del Monte Bulacan, he assured the Board that they will
31 reimburse it to the HDH funds. He further added that the borrowers are willing to pay and
32 that there is no loss in part of the government. SHFC will cover the money because they are
33 extending the money as a loan. The CA will be the one doing the project.

34 Secretary Del Rosario commented that he thinks that what the SHFC will do now is to ensure
35 that all the parties involved are amenable. If everybody agrees then craft the contract and
36 continue the with the project. The Management should ensure that SHFC has legal cover and
37 the government is not in the losing end in this project.

38 **The Board took due cognizance of the GNAHC project updates.**

39
40 **After discussion, the following are the recent project recommendations on GNAHC, to**
41 **wit:**

42
43 **On the contract**
44

- 1 **1. To continue with the Gumamela Neighborhood Association project, the Management**
2 **shall conduct negotiations with the concerned community association and project**
3 **contractor on the following, to wit:**
4 **a. Ensure that the concerned parties are amenable to the provisions of the new**
5 **contract using the 2018 price ceiling for completed and remaining works;**
6 **b. If all the parties to the contract agree, then continue with the construction of the**
7 **project;**
8 **c. Ensure that SHFC has legal cover on the contracts.**
9 **d. Proposed amendments on the site development of the subdivision plan,**
10 **▪ Reduce the number of housing units (approx. 100 units) in the vertical**
11 **housing, to provide an open space in between clusters 1 & 2;**
12 **e. To allocate construction of two (2) covered courts in the common facilities in the**
13 **clusters, the funding will be sourced from the DHSUD Escrow fund;**
14 **f. To follow-up and validate with LGU-SJDM on the funding for the slope**
15 **protection of the area**
16

17
18 **11. UPDATES ON RESPONSABLENG SAMAHANG PAMPAMAYANAN**
19 **VILLAGE HOAI**
20

21 The Management, through OIC-VP for Resettlement and Project Management, Atty. Tristan
22 Tresvalles, presented the updates on the Responsableng Samahang Pampamayanan Village
23 HOAI.
24

25 Atty. Tresvalles informed the Board that the Management finalized the contract already
26 which includes the actions to be undertaken which was approved previously by the Board in
27 July 2020. He added that they already communicated with the contractor with respect to the
28 conditions of the Board.
29

30 With respect to the instruction to get the conforme from Ron Daniell Construction
31 Corporation, Atty. Tresvalles informed the Board that they received a letter of conformity
32 from the said contractor last 11 February 2021 which prompted the Management to resume
33 the contract process with CDJ. It should be noted that the conformity sent by Ron Daniell is
34 conditional however it is acceptable.
35

36 Another consideration as to why the resumption of the contract process took so long was
37 because of the SHFC Construction Manual wherein the Management did revisions to the
38 contract to integrate the policies in the said Manual as well as the conditions of the Board.
39

40 Atty. Tresvalles further added that the Management was able to submit the finalized contract
41 to CDJ and they are just waiting for CDJ to accept or reject it.
42

43 Director Aliño reminded the Management to secure the conforme of non-objection from Ron
44 Daniell.
45

46 It should be noted that one of the conditions of the Ron Daniel for the conformity was for the
47 contractor to still be accredited by SHFC. Atty. Cabling informed the Board that the

condition is misplaced considering that the contractor is not accredited with SHFC in the first place.

After thorough deliberation, the Board noted the presentation.

The Board reminded the Management to secure a conforme of non-objection from Ron Daniell Construction Corporation.

III. OTHER MATTERS

12. GRANT OF AUTHORITY TO SHFC OFFICER TO PROCESS THE MERALCO REFUND

The Management, through OIC-VP for Engineering Department Engr. Elsa Calimlim, presented the request to authorize the SHFC President to transact on behalf of SHFC regarding the Meralco refund.

Engr. Calimlim informed the Board that Meralco granted the request of SHFC to waive the payment of cash advance for the electrical facilities for all SHFC assisted projects covered by Meralco services under the Commission's Distribution Services and Open Access Rules (DSOAR) as provided in Energy Regulatory Commission (ERC) Directive to Meralco in August 2020. The Management received a letter from Meralco informing them that there is a refund for Sandigan ng Maralita ng Pamayanan (SMP) HOAI in San Jose Del Monte Bulacan. There is a refund of Php6.78 Million but then there are requirements to be submitted. One of which is the Board Resolution or Secretary's Certificate authorizing representative to act on behalf of SHFC.

Atty. Cabling clarified that it is first requesting for reimbursement and second authorizing an officer to file the request and process it on behalf of SHFC. He then suggested delegating either Atty. Deocampo or Engr. Calimlim to do the said process considering that this is actually a ministerial matter.

Director Aliño asked if the refund is in favor of SHFC. Engr. Calimlim answered affirmatively.

Meanwhile, Atty. Reyes raised his concern that any senior management officer should be delegated as the person who will transact in the process. He then asked if it is the Management or the Board which will make the authorization. Atty. Cabling answered that it has to be the Board which will authorize the said officer. He then proceeded to delegate Atty. Deocampo as the authorized officer considering that he is the senior officer. Atty. Reyes commented that he has no problem with it.

Director Catulong then asked who made the payment and where will the refund will go. Engr. Calimlim answered that SHFC paid the cash advance through the technical subsidy fund. Atty. Cabling added that it will revert to the subsidy fund of the Corporation.

Engr. Calimlim further added that if this is part of the project cost then it will be given to the CA. Atty. Cabling confirmed this and he explained that because they have to come up with a proposal of what subsidy they have to request, hence it will revert to subsidy fund. He added

1 that if it is project based then they will ask the CA to come up with another proposal where
2 they could put up the subsidy.

3 If that is the case, Director Catulong asked if that will need the approval of the Board. Atty.
4 Cabling answered that they need to go back to the Committee or Board depending to the
5 amount of the technical subsidy whether it will be under the jurisdiction of the Committee or
6 Board.


7 **The Board approved the following:**

- 8 **1) The request for refund/reimbursement from MERALCO for the SMP HOAI**
9 **project's electrical facilities, and**
10 **2) The authorization of OIC SVP for LAMP, Atty. Leo Deocampo, to transact**
11 **on behalf of SHFC, regarding matters concerning the refund with**
12 **MERALCO.**

13
14 **13. ADJOURNMENT**
15

16 Atty. Valenciano informed the Board that the next Board Meeting will be scheduled subject
17 to the availability of the DHSUD Secretary.

18
19 There being no additional other matters for discussion, SHFC's 03-2021 Board Meeting was
20 adjourned at 3:32 p.m.

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23
24 
25 **ATTY. MELANIE B. VALENCIANO**
26 Acting Board Secretary