

**MINUTES OF THE 01-2021 BOARD MEETING
OF THE SOCIAL HOUSING FINANCE CORPORATION
27 January 2021
Videoconference¹**

ATTENDANCE OF BOARD DIRECTORS:

SEC. EDUARDO D. DEL ROSARIO - DHSUD Secretary
Chairperson

DR. FELIXBERTO BUSTOS JR. - President, NHMFC

Private Sector Representatives:

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

Other Officers/Attendees:

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 01-2021 Board Meeting to order at 10:09 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. Secretary Eduardo Del Rosario joining from DHSUD Building, Quezon City;

¹ Zoom videoconference platform

² Zoom Videoconference platform

³ SEC Memorandum Circular No.6, Series of 2020

2. Dr. Felixberto Bustos Jr. from Lubao, Pampanga;
3. Mr. Lyndon Catulong Sr. from Davao City;
4. Atty. Emiliano Reyes from Mariveles, Bataan;
5. Mr. George JT Aliño II from Davao City; and
6. Mr. Ronald Barcena from Antipolo City.

C. DELIBERATION / APPROVAL OF THE AGENDA OF THE 01-2021 BOARD MEETING

The Members of the Board approved the Agenda for the 01-2021 Board Meeting. During the course of the meeting, the Chairman manifested to include in other matters the letter of Usec. Bayani Agabin dated 25 January 2021.

D. APPROVAL OF THE MINUTES OF THE 15-2020 AND 16-2020 BOARD MEETINGS

Atty. Valenciano informed the Board that the Minutes of the 15-2020 and 16-2020 Board Meetings were sent to the Directors on 21 January 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 15-2020 and 16-2020 Board Meetings.

E. DISCUSSION OF MATTERS-ARISING FROM THE MINUTES OF THE 16-2020 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 16-2020 Board Meeting as well as the continuing Matters-Arising, thus:

a) Guarantee Fund for Habitat for Humanity

- ✓ Set policy guidelines on the treatment and utilization of the forfeited guarantee deposits under Corporate Circular No.13- 022

Action Taken:

The Management is currently in the process of formulating the guidelines that will govern the use of forfeited guarantees.

b) SHFC Construction Manual

- ✓ The Board clarified that the effectivity shall be:

1. After the Board approval;
2. Fifteen (15) days after the publication in a newspaper of general circulation; and
3. Filing with the Office of the National Administrative Register in the University of the Philippines.

Action Taken:

The department in-charge of publication is finalizing the final content/layout to be submitted to the *Philippine Star* which is targeted before end of January 2021. Printing or publication by the Star is three (3) to five (5) days after our submission.

c) On the guidelines on the grant of financial assistance to Member-Beneficiaries affected by natural calamities and disasters

- ✓ Revert to the Governance Nomination and Policy Committee (GNPCom) for further deliberation.

Action Taken:

The Guidelines was discussed before the GPN Committee last 22 January 2021. The following are the directions of the Committee:

1. Consider refocusing the amount intended for emergency housing repair assistance to provision of mitigating measures for communities that are prone to hazards.
2. Prepare another proposal to be elevated again to the Committee for consideration.

During the discussion on the Matters-arising, Director Bustos raised that during the last Board Meeting, the Management committed that they would tap other institutions such as the local banks in the locality or DBP or Landbank for the appraisal of the land for Salag HOAI and Obay Heights HOAI. However, it has been a month and yet it has not been done already and if only the Management has done a small value procurement then these issues will be already done. He also stated that he is not criticizing the actions of the Management but what was sent to them by SHFC was a list of 100 accounts that was also sent to Pag-IBIG, DBP and Landbank to be appraised by the said institutions. He added that based on his knowledge of the Appraisal Department of the three (3) institutions, they will not be able to act on those accounts and probably they cannot do it. From what the Board has deliberated upon, his understanding was that the Management will do a small value procurement for the said two (2) projects. If the Management had called up the Landbank or DBP, then it could have done in a month.

Atty. Payot explained in his response that the Management has already written Landbank, DBP and Pag-IBIG with a shorter list with around ten (10) accounts with a request for appraisal for these accounts. He added that when these institutions reply, the Management can set a meeting with them and then they will bring up a more long-term arrangement with them for the rest of the projects.

1 Director Bustos clarified that his issue is that when the Management report the Matters-Arising,
2 if the Chairman instructed certain things such as the appraisal of the two (2) projects and the
3 Management committed to do it then it should be reported the things that have been acted upon
4 or undertaken by the Management. If it will not be done in a month, then it will be again delayed
5 and the Construction Manual will be again cited as the reason for the delay. He then informed
6 the Board that in National Home Mortgage Finance Corporation (NHMFC), it took them about
7 a year or so to procure the third-party appraiser. He then added that he is trying to check if
8 SHFC could use the third-party appraiser that was procured by NHMFC considering that SHFC
9 is their subsidiary. He again pointed out that procuring the external appraiser can take forever
10 and the reporting for the updates of the procurement of third-party appraiser will not done in a
11 meeting-to-meeting basis then the projects might be delayed. By the time that SHFC has
12 procured an external appraiser, the Landowner might withdraw his sale of the land. He further
13 added that if the Management can ask the three institutions for the appraisal of only two or
14 three projects then it can be done in month. If there are a lot of projects to be appraised, the
15 three (3) institutions cannot do it.

16
17 Secretary Del Rosario asked if Pag-IBIG Fund is capable of conducting the appraisal. Director
18 Bustos answered affirmatively. However, the problem is that if there are a lot of projects,
19 maybe ten (10) at a time, probably they will say that they cannot do it. If only two (2) or three
20 (3) projects then they can do it especially to those areas that they have data. With respect to
21 Zamboanga, considering that there are Rural banks in the area, Director Bustos commented
22 that he is sure that these rural banks will have that easy.

23
24 Secretary Del Rosario recommended having a Memorandum of Agreement (MOA) between
25 SHFC and Pag-IBIG to get their services to conduct appraisal in the areas that Pag-IBIG has a
26 presence there.

27
28 Director Bustos answered that two (2) years ago, it was already done considering that the good
29 Secretary has already instructed them to conduct the appraisal for SHFC.

30
31 Atty. Payot confirmed the statement of Director Bustos wherein SHFC has a pool of appraisers
32 to help it with some of the High-Density Housing (HDH) projects.

33
34 Director Bustos commented that Pag-IBIG will have it easier if it will be land valuation only
35 because their branches are all over the Philippines. Knowing how advance the computers of
36 Pag-IBIG, Director Bustos remarked that Pag-IBIG probably had it geomapped. Hence, it will
37 be easy for them to have estimates. Moreover, in cities where Pag-IBIG has more properties, it
38 will also be easy for them because they have already appraisal in its neighboring properties.
39 The only problem will be the scheduling.

40
41 Secretary Del Rosario reiterated his recommendation to craft a MOA with Pag-IBIG Fund to
42 hasten the appraisal process. He also recommended crafting a MOA with Landbank and DBP
43 to give SHFC personality to request appraisal from their local branches. He added that the
44 Management will write Mr. Acmad Rizaldy P. Moti, the CEO of Pag-IBIG regarding the
45 decision of the Board to craft a MOA for the appraisal of the properties of SHFC Projects.
46 Although, for DBP and Landbank it might take time, the Management can craft the MOA right
47 away with Pag-IBIG and in two (2) months, it can have it signed.

1 Director Bustos recalled that there was a standing proposal from Landbank and DBP regarding
2 the engagement of their services with SHFC.

3
4 Secretary Del Rosario then recommended having that offer officialized with the signing of the
5 MOA. He then asked regarding the issue as to why nothing happened about the proposal.
6 Director Bustos explained in his response that the last word that the Board gave to both banks
7 was they try to match the offer of the other bank.

8
9 Atty. Valenciano confirmed the statement of Director Bustos wherein the DBP depends their
10 rates on the geographic location of the project whereas with Landbank, she clarified their rates
11 wherein their maximum amount is PhP10,000 and Landbank explained that it is not actually
12 PhP10,000. Atty. Valenciano commented that she thinks it also depends on the geographical
13 location of the project.

14
15 Secretary Del Rosario then asked with respect to the issue with Pag-IBIG Fund. Atty.
16 Valenciano commented that she believes the Management has not asked or requested an
17 audience with Pag-IBIG regarding their appraisal services. Atty. Payot further explained that
18 the Management merely wrote Pag-IBIG letter regarding the said short list with eight (8) to ten
19 (10) projects to be appraised by Pag-IBIG. Currently, the Management is awaiting for their
20 reply.

21
22 Secretary Del Rosario commented that there must be limitation on the scope of the Pag-IBIG's
23 support. In the agreement that will be crafted, there should be a provision on the parameter
24 stating that the project site must be within the locality or city where they have branches there.
25 If they do not have branches on the said site, they will not be engaged for their services. Instead,
26 SHFC will tap another institution such as DBP and Landbank, same goes with DBP and
27 Landbank.

28
29 Atty. Valenciano then asked if the conduct of site suitability is included in the engagement of
30 third-party appraisal. Secretary Del Rosario answered in negative considering that the site
31 suitability is not their expertise. He then added that it should be focused on the valuation of the
32 property to ensure that the selling price is the right market value of the property and to prevent
33 overpricing. He further added that there might be connivance on the ground and to prevent that
34 SHFC is engaging the services of credible banks and institutions.

35
36 With respect to site suitability, Atty. Valenciano also asked if it will be procured by SHFC
37 through a third party or SHFC engineers will conduct it.

38
39 Secretary Del Rosario answered that the safety aspect of a project site such as the flood and
40 earthquake susceptibility can be readily taken from the HazardHunter application of the
41 Department of Science and Technology (DOST). Moreover, it can be easily determined if the
42 proposed target site is susceptible to earthquake or not considering that the resettlement site is
43 already identified as residential area in the Comprehensive Land Use Plan (CLUP) of the
44 municipality or city.

45
46 Secretary Del Rosario then recalled when he was in Marawi last week and when he was in his
47 way back to the airport, the president of the Salag HADR IV HOAI told him that now they are
48 getting the lot at PhP1,900 per sqm instead of PhP2,300 per sqm. He added that SHFC should

1 work for the valuation of the project considering that there is a need to protect the interest of
2 SHFC as well as the Member-Beneficiaries (MBs) because at the end of the day the MBs will
3 shoulder the burden of buying the property. The official valuation coming from credible
4 institution such as DBP, Landbank or Pag-IBIG will guide the Management for the right pricing
5 of the property.

6
7 Atty. Valenciano clarified that the site suitability can be performed by the Management and for
8 the valuation of the property, SHFC will engage the services of credible institutions. Secretary
9 Del Rosario remarked that the site suitability is the job of the technical people of SHFC. They
10 will do the legwork to check if the property is buildable.

11
12 Secretary Del Rosario then instructed the Management regarding their task to immediately
13 write to the offices concerned and come up with a proposal regarding the SHFC's intention to
14 engage their services. The MOA can also be attached to the said letter so that the institution
15 would know the scope of SHFC's intention. He also added that the Management can also
16 informally talk to the institution's Appraisal Division and come up with a parameter so that it
17 can be included in the MOA then write the CEO for his imprimatur with regard to the
18 Management's request to Pag-IBIG, Landbank and DBP.

19
20 With respect to site suitability, Atty. Payot commented that he thinks it is also in the SHFC
21 Construction Manual and that it will be undertaken by the external appraiser when they will do
22 the appraisal of the property. And if there are findings, that it is the time when the Management
23 will comply with the findings of the site suitability inspector prior to the elevation to the Credit
24 Committee for approval.

25
26 Atty. Valenciano remarked that if that will be the case, Landbank, DBP and Pag-IBIG may not
27 be able to conduct the site suitability considering that more of their services are focused on the
28 property valuation of the land.

29
30 Secretary Del Rosario then commented that the site suitability should be the Management's
31 call wherein they will determine it based on the existing protocol included in the assessment.

32
33 With respect to the report on the Matters-arising, Director Bustos mentioned that in NHMFC,
34 their Board Secretary looks into the minutes of the meeting and the matters-arising, he assigned
35 it to the concerned group heads for them to answer the same then the group head will report
36 what they have done on the instruction of the Board in the said matter. He then recommended
37 that the Atty. Valenciano as the Board Secretary or her staff to look into the minutes of the
38 meeting and follow up with the concerned department.

39
40 Atty. Valenciano explained in her response that every Board Meeting, the Office of the Board
41 Secretary (OBS) releases the Actions Taken and Board Instructions during the last Board
42 Meeting to the Management for their appropriate action. After the OBS releases the ATBI, the
43 Management assigns the personnel or department that will comply with those instructions. She
44 also stated that this administrative matter will be discuss with the Management.

45
46 **Thereafter, the Board took due cognizance of the Matters-Arising reported by the**
47 **Management. The Board instructed the following to be undertaken by the Management:**
48

Matters Arising

- 1) **The matters that the Management committed to do in the previous Board Meeting should be included in the Matters-Arising.**

A. On the conduct of appraisal – uninterested / third-parties shall conduct the appraisal of land valuation of projects.

- a) **Prioritize the crafting of a Memorandum of Agreement (MOA) with HDMF-Pag-ibig**
 - **Communicate with the HDMF-(Pag-ibig) Head of Office for assistance of appraisal to SHFC projects**
 - **Coordination with the Legal departments of HDMF & SHFC, Appraisal Division on the MOA**
- b) **Negotiations and crafting of MOA with Landbank of the Phils. (LBP) or Development Bank of the Phils. (DBP) for the conduct of the property valuation.**
- c) **There should be a discussion on the scope of limitation which shall be dependent on the nearest, available branches covered by HDMF, and/or LBP or DBP. If there no branches available, other third party appraisers will be engaged by the Management.**

B. On the conduct of site suitability

- a) **The Management has overall supervision and responsibility on the conduct of site suitability of projects, which includes actual site inspection**
- b) **Make use of the available DOST Hazard Hunter application**

I. FOR APPROVAL

1. SHFC BOARD COMMITTEES FOR CY 2021

The Management, through Acting Board Secretary Atty. Melanie B. Valenciano, presented the proposed SHFC Board Committees for CY 2021.

The following are her presentation:

Current Board Committees (CY2020)

1. **Executive Committee (ExeCom)**
2. **Governance, Policy and Nomination Committee (GPNCom)**
3. **Audit and Risk Management Committee (ARCom)**

Recommendation of the GPNCom

1. **Retain the existing three (3) Board Committees and their previously approved functions; and**

2. Retain the composition of the Board Committees with the inclusion of Director Ryan S. Lita in the Governance Policy and Nomination Committee (GPNCom).

Executive Committee for CY 2021

Board Committee	AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
Executive Committee	1. DSHUD	Secretary (or as represented by: Undersecretary/ Assistant Secretary/Director)	Chairman	Monthly
	2. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Vice Chairman	
	3. SHFC	PRESIDENT / CEO (or as represented by EVP)	Member	
	4. DILG	Usec. Epimaco V. Densing, III	Member	
	5. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
	6. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
	7. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
	8. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	

Governance Policy and Nomination Committee for CY 2021

Board Committee	AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
Governance, Policy and Nomination Committee	1. DSHUD	Secretary (or as represented by: Undersecretary/ Assistant Secretary/Director)	Chairman	Monthly
	2. SHFC	PRESIDENT / CEO (or as represented by EVP)	Vice Chairman	
	3. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Member	
	4. DOF	Usec. Bayani H. Agabin	Member	
	5. DBM	Atty. Ryan S. Lita	Member	
	6. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
	7. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
	8. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	

	9. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
--	-------------------	-------------------------	--------	--

Audit and Risk Management Committee for CY 2021

Board Committee	AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
Audit and Risk Management Committee	1. DBM	Atty. Ryan S. Lita	Chairman	Quarterly or as needed
	2. DOF	Usec. Bayani H. Agabin	Vice Chairman	
	3. DSHUD	Undersecretary/ Assistant Secretary/ Director	Member	
	4. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Member	
	5. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
	6. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
	7. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
	8. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
	9. BSP	Vacant	Member	

Proposed Schedule of Committee and Board Meetings

Type of Meeting	Schedule of Meeting/s
Committee Meeting	Every First and Third Week of the Month
Board Meeting	Twice a month: Every Second and Fourth Week of the Month *subject to the availability of the Chairperson

With respect to the Audit and Risk Management Committee, Secretary Del Rosario then asked as to why Usec. Agabin does not sit as the Chairman of the Committee considering that there are some Undersecretaries and Assistant Secretaries that may not find the said arrangement comfortable.

Atty. Valenciano explained in her response that Atty. Lita was nominated previously by the Committee. For this year, the recommendation of the Committee is to retain the current composition.

Secretary Del Rosario then noticed that he is the Chairman for the Executive Committee as well as the Governance Policy and Nomination Committee. He mentioned that in Pag-IBIG,

1 he does not sit as the Chairman of any Committee because he is the Chairman of the Board.
2 The Members of the Board of Directors will be the one to sit as the Chairman and the
3 composition will come from them also. He then asked if this arrangement is appropriate.
4

5 Atty. Valenciano explained in her response that during the discussion last year, SHFC just
6 followed the Code for Corporate Governance issued by Governance Commission for
7 Government-Owned or Controlled Corporations (GCG) wherein it stated there that for
8 Governance Committee, the Chairman should be the Chairman of the Board. Hence, pursuant
9 to that provision, the Management just provided therein that the Chairman would be the
10 Secretary or any of his representative.
11

12 Secretary Del Rosario mentioned that in Pag-IBIG, they are not observing the same considering
13 that the Chairman of their Governance Committee is a Private Sector Representative. Atty.
14 Valenciano commented that she believes that the said provision is only a directive and the
15 Board may choose not to place the Chairman of the Board as the Chairman of the Committee.
16

17 Secretary Del Rosario remarked that there will be no scrutiny anymore if he will sit as the
18 Chairman of the Committee considering that all the policies will be approved by the Board and
19 the proposals of the Governance Committee will have to be elevated to the Board.
20

21 Atty. Reyes commented that the logic of the said provision is for the good Secretary to assign
22 an Undersecretary or Assistant Secretary to sit as the Chairman.
23

24 Secretary Del Rosario raised his concern that his Undersecretary or Assistant Secretary
25 normally does not know what is happening in the Corporation. He said that he wants someone
26 from the Board of Directors who know what is happening in the Corporation.
27

28 Atty. Reyes remarked that the representative of the good Secretary will have to do the proper
29 monitoring and directing the decisions or the matters to be discussed in the GPNCOM. He or
30 she will be directly reporting to the good Secretary on the matters that were discussed so that
31 the Secretary will have first-hand information in every Committee. He then added that he
32 agrees with the good Secretary that Usec. Agabin will be the Chairman of the Audit and Risk
33 Management Committee. Likewise, he suggested, on behalf of the other Directors, to expand
34 the composition of the Executive Committee by including Usec. Agabin and Atty. Lita
35 considering that their inputs are very vital for the matters that the Board of Directors will be
36 discussing at the Executive Committee level.
37

38 Secretary Del Rosario then pronounced that he will be designating a representative to the
39 Committee but that representative will not necessarily act as the Chairman. He then asked if
40 the said representative will come from the DHSUD.
41

42 Atty. Valenciano answered affirmatively considering that previously it was Director Zacky
43 Abanes who sits in the Policy Committee as representative of the Housing and Urban
44 Development Coordinating Council (HUDCC). She then said that after Director Abanes, it was
45 Atty. Maria Luisa Pangan who was the representative of DHSUD in the Committee. However,
46 she communicated with the Secretariat that she is no longer the OIC for Planning.

1 Director Bustos commented that usually there was a Director or Assistant Secretary who
2 attended and took down notes that would update the present Chair. When Director Abanes
3 retired, there was no representative of DHSUD who was attending the Committee meeting.

4
5 Secretary Del Rosario then pronounced that he will be designating representative for the
6 Executive Committee. He then asked the Board if it is alright to designate Usec. Agabin as the
7 chairman of the Executive Committee. Atty. Reyes as well as Director Bustos answered that
8 there is no problem with them. Director Aliño also affirmed the said recommendation.

9
10 Considering that for Executive Committee, it is more of deliberation of the projects and the
11 Governance Policy and Nomination Committee is more of Corporate Governance Matters and
12 other Matters, Secretary Del Rosario asked who will be more appropriate for the Executive
13 Committee. He added that he does not mind if the Chairman will come from the Private Sector
14 so that there will be a very transparent organization.

15
16 Atty. Reyes then recommended retaining the current Chairman which is Director Bustos
17 considering that he is the major stakeholder as well as the inclusion of DOF and DBM in the
18 membership of the Executive Committee.

19
20 Director Catulong also recommended that the Vice Chairman will be Usec. Agabin and the
21 Chairman being the NHMFC President.

22
23 Director Bustos answered that he has no problem except if there is a prescribed composition
24 issued by GCG. Atty. Valenciano explained in this response that for the Executive Committee,
25 it is similar to the Governance Policy and Nomination Committee wherein it provides that the
26 Executive Committee should be composed of not less than three (3) members of the Board and
27 should be chaired by the Chairman of the Board.

28
29 Secretary Del Rosario found it illogical that he is the Chairman of the Board and he will also
30 sit as the Chairman of the Committee considering that the concept of the Committee is lost.
31 There will be no check and balance mechanism. Same goes if the Committee will be expanded
32 considering that it becomes the Board itself.

33
34 Secretary Del Rosario then instructed to make Director Bustos the Chairman of the Executive
35 Committee while the Vice Chairman will be coming from the Private Sector Representative so
36 that there will be a more transparent structure.

37
38 In that case, Atty. Reyes nominated Director Aliño to be the Vice Chairman of the Executive
39 Committee. With respect to the sentiment of the Board to expand the composition of the
40 Committee to include DOF and DBM, Secretary Del Rosario commented the there is no need
41 to expand considering that the members of the Committee are more or less competent enough
42 to undertake the deliberations of the project. And if the Board insists, then only one member
43 will be included either DOF or DBM.

44
45 Atty. Reyes voted for Usec. Agabin to be included in the Committee. Director Catulong
46 seconded the motion.

1 With respect to the Governance Policy and Nomination Committee, Director Bustos nominated
2 Atty. Reyes as the Chairman of the Committee. Atty. Reyes commented that he thinks Director
3 Barcena is more appropriate to be a Chairman because of his knowledge in the local
4 government. He yielded the nomination to Director Barcena.

5
6 Director Barcena then commented that there is no problem with him if that will be the direction
7 of the Board.

8
9 Director Bustos then asked if they could nominate Atty. Reyes as the Vice Chairman of the
10 Committee. Atty. Reyes also asked if the SHFC President should be the Vice Chairman
11 considering that it more on the deliberation of the Corporation's policies.

12
13 Atty. Valenciano then explained in her response that usually the SHFC President inhibits or
14 yields the Chairmanship to the other Directors because he also represents the Management.

15
16 Considering that it is more about Corporate Policy and administrative matters, Secretary Del
17 Rosario commented that he thinks it is more appropriate if the SHFC President would be the
18 Vice Chairman so that in case of conflict of the issues being raised, the Vice Chairman will
19 clarify the existing policies of the Corporation. He added that he thinks there is no conflict of
20 interest there considering that it will actually complement the Board Committee in the
21 Governance Policy and Nomination Committee. It is expected that the SHFC President knows
22 all the existing policies so that he can give more ideas on the policies and lead the Management
23 in the performance of their mandate. He further added that this new composition is a good
24 combination coming from the Private Sector and the Management side. If the SHFC President
25 will be the Chair then there will be no check and balance mechanism anymore.

26
27 Atty. Murillo relayed the comments of Usec. Agabin on the discussion of the membership of
28 the Committees wherein for the Audit and Risk Management Committee, Usec. Agabin thinks
29 that Atty. Lita will still be better for the Chairmanship position of the Committee. For the
30 Executive Committee, Usec. Agabin has no comment on the inclusion of DOF in the Executive
31 Committee but he also acknowledges the inclusion of the DHSUD Representative. However,
32 for him he would still want to manifest that he thinks it would be ideal if the DHSUD
33 Representative would be the Chairman of the Executive Committee. Meanwhile, he is okay for
34 the retention of Governance Policy and Nomination Committee membership.

35
36 The Board noted the comments of Usec. Agabin and his no objection on the Audit and Risk
37 Management Committee Chairmanship. Thereby, the Board can move forward in that
38 direction.

39
40 Director Bustos commended Atty. Lita for his good job considering that there are controversial
41 issues discussed in the Audit and Risk Management Committee last year and he handled them
42 very well.

43
44 With respect to the proposed schedule of the Board and Committee Meetings, Secretary Del
45 Rosario asked if SHFC is not receiving the same observation similar to Pag-IBIG wherein they
46 were called for having too much Board Meeting and they have exceeded the number of
47 meetings allowed by GCG.

Atty. Valenciano answered that SHFC did not exceed the threshold of twenty -four (24) Board Meetings considering that they only have sixteen (16) Board Meetings last year.

Director Bustos then commented that if the Board will adopt the proposed scheduled Board and Committee Meetings then it should also adopt the proposal of Usec. Agabin wherein the materials for the Board meeting should arrive three (3) days prior to the actual Board Meeting considering that there are two (2) Board Meetings in a month. If the materials will not be sent to the Board three (3) days prior the scheduled Board Meeting then the item will be taken up next Board Meeting.

Secretary Del Rosario then manifested that he would like to discuss the letter of Usec. Agabin one-by-one in the Other Matters so that the Board can act on the issues raised by Usec. Agabin.

After thorough deliberation, the Board approved the following Board Committee Membership for CY 2021 and Proposed Schedule of Committee and Board Meetings for CY 2021:

I. EXECUTIVE COMMITTEE FOR CY 2021

AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
1. NHMFC	Dir. Felixberto Bustos Jr.	Chairman	Monthly
2.PRIVATE SECTOR	Dir. George JT D. Aliño	Vice Chairman	
3. SHFC	Atty. Arnolfo Ricardo B. Cabling	Member	
4. DILG	Usec. Epimaco V. Densing, III	Member	
5. DOF	Usec. Bayani H. Agabin	Member	
6. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
7. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
8. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
9. DSHUD	Representative designated by the Secretary	Member	

II. GOVERNANCE POLICY AND NOMINATION COMMITTEE FOR CY 2021

AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
1. PRIVATE SECTOR	Dir. Ronald R. Barcena	Chairman	Monthly
2.SHFC	Atty. Arnolfo Ricardo B. Cabling	Vice Chairman	
3.NHMFC	Dir. Felixberto Bustos Jr.	Member	
4. DOF	Usec. Bayani H. Agabin	Member	
5. DBM	Atty. Ryan S. Lita	Member	

6. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
7. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
8. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
9. DSHUD	Representative designated by the Secretary	Member	

III. AUDIT AND RISK MANAGEMENT COMMITTEE FOR CY 2021

AGENCY/SECTOR	Members	POSITION	Schedule of Meetings
1. DBM	Atty. Ryan S. Lita	Chairman	Quarterly or as needed
2. DOF	Usec. Bayani H. Agabin	Vice Chairman	
3. DSHUD	Representative designated by the Secretary	Member	
4. NHMFC	PRESIDENT / CEO (or as represented by EVP)	Member	
5. PRIVATE SECTOR	Dir. Emiliano C. Reyes	Member	
6. PRIVATE SECTOR	Dir. Lyndon B. Catulong, Sr.	Member	
7. PRIVATE SECTOR	Dir. Ronald R. Barcena	Member	
8. PRIVATE SECTOR	Dir. George JT D. Aliño	Member	
9. BSP	Vacant	Member	

IV. Proposed Schedule of Committee and Board Meetings

Type of Meeting	Schedule of Meeting/s
Committee Meeting	Every First and Third Week of the Month
Board Meeting	Twice a month: Every Second and Fourth Week of the Month *subject to the availability of the Chairperson

2. APPOINTMENT OF AN ACTING COMPLIANCE OFFICER

The Management, through OIC-VP for Human Resource Department Ms. Jessica Caraso, presented the proposal for the appointment of an acting Compliance Officer

The following are her presentation:

Background

Compliance Officer is a Board Position pursuant to SHFC By-Laws Article IV, Sec. 1 Elections/Appointments which provides:

“the Compliance Officer shall be appointed by the Board and directly report to them.”

(Amendment approved during a Board Meeting on June 10, 2020)

SHFC Compliance Officer

- Atty. Tristan Frederick L. Tresvalles – SHFC Compliance Officer per Board Resolution No. 449 dated June 29, 2015. He is now the OIC Vice President for Resettlement and Project Management Group.
- Atty. Ronald O. Cajucum - Acting Compliance Officer based on Office Order creating the Enforcement, Risk Management and Compliance Department in April 2019. He filed his resignation effective 31 December 2020.

Among his functions as Acting Compliance Officer is:

- Ensures corporate compliance with government regulatory bodies and other statutory requirements.
-

SHFC Regulatory Commitments

List of Regulatory Commitments of SHFC					
1	31 January of every year	SEC		Compliance Officer's Certification of SHFC's Compliance with its Revised Manual on Corporate Governance	Compliance Office
2	31 January of every year	PhilGEPS/GCG	IATF MC No. 2019-1 Government Procurement Reform Act RA 9184	Maintain/Update the PhilGEPS Posting of all Invitations to Bids and awarded Contracts	Procurement
3	31 January of every year	FOI	IATF MC No. 2019-1 FOI MC No. 03 s. 2019	Agency Information Inventory FOI Registry FOI Summary Report Screenshot of Agency's home page	FOI Committee
4	31 January of every year	FOI	FOI MC No. 2019-002-A s. 2019	Client Satisfaction Measurement	FOI Committee
5	31 January of every year	GPPB/GCG	IATF MC No. 2019-01	Update PhilGEPS posting for Early Procurement by posting Approved Contract and Notice to Proceed	Procurement
6	31 January of every year	GPPB	GPPB Circular 02-2020	Annual Procurement Plan	Procurement
7	10 February of every year	GCG	GCG MC No. 2016-01	Directors' Attendance System	OBS
8	15 February of every year	GCG	GCG MC No. 2014-02	GOCC Monitoring System (Submission of 4th Quarter of the previous year/ Annual Report)	FCD
9	31 March	GCG	GCG Annual Report	Financial Information and Highlights of Accomplishments	FCD
10	31 March of every year	GPPB	IATF MC No. 2019-1 GPPB Circular No. 17-2015	Submission of APP non-CSE	Procurement
11	31 March of every year	ARTA	ARTA MC No. 2019-002-a s. 2018	Updated Citizen's Charter (External and Internal Services)	Compliance Office/ Operations
12	2nd week of March of every year	GCG	GCG MC No. 2015-07	Corporate Governance Scorecard Assessment	ManComm
13	31 March of every year	GPPB	IATF MC No. 2019-1 GPPB Circular 02-2020	Submission of Result of Agency Procurement Compliance and Performance Indicators System	Procurement
14	30 April of every year	CSC	IATF MC No. 2019-1	Submission of SALN	HR
15	30 April of every year	GCG	GCG MC No. 2014-02	GOCC Leadership Management System (1st Semester Report)	OBS
16	30 April of every year	GCG	GCG MC No. 2014-02	GOCC Monitoring System (Submission of 1st Quarter Reports)	FCD
17	30 June of every year	GCG	GCG MC No. 2012-1	GCIS	Compliance Office

1

18	30 June of every year	SEC		GIS	OBS
19	30 July of every year	GCG	GCG MC No. 2014-02	GOCC Monitoring System (Submission of 2nd Quarter Reports)	FCD
20	24 July	GCG		CPCS Profile	FCD
21	31 August of every year	DBM	IATF MC No. 2019-1	Submission of Agency Report on Ranking of Delivery Units	
22	30 September of every year	GPPB	IATF MC No. 2019-1	Indicative APP non-CSE	Procurement
23	01 October of every year	DBM	IATF MC No. 2019-1	Transparency Seal	
24	01 October of every year	GCG	IATF MC No. 2019-1	Posting of Agency System of Ranking Delivery Units	
25	01 October of every year	CSC	IATF MC No. 2019-1	Agency Review and Compliance Procedure of SALN	
26	30 October of every year	GCG	GCG MC No. 2014-02	GOCC Monitoring System (Submission of 3rd Quarter Reports)	FCD
27	30 October of every year	GCG	GCG MC No. 2014-02	GOCC Leadership Management System (2nd Semester Report)	OBS
28	31 October of every year	DBM	IATF MC No. 2019-1	APP CSE	Procurement
29	30 November of every year	FOI	IATF MC No. 2019-1 FOI MC No. 03 s. 2020	Updated FOI Manual	FOI Committee
30	31 December of every year	ARTA	IATF MC No. 2019-1	FOI Certificate of Compliance	OP
31	31 December of every year	GQMC	IATF MC No. 2019-1 GQMC Advisory No. 2020-1	Posting and Submission of QMS Certification	
32	31 December of every year	DBM	Corporate Budget Circular No. 22	COB	
33	31 December of every year	COA	IATF MC No. 2019-1	Sustained Compliance with Audit Findings	

2

3

4 Filling-up of Vacant Compliance Officer Position – Status

5

Date	Remarks
March 10, 2020	Personnel Requisition Form (PRF) was approved
March 12, 2020	Publication <ul style="list-style-type: none"> Vacancy was posted in all floors of SHFC Makati Office and was routed to all departments/divisions Vacancy was also posted in SHFC website and JobStreet.com
March 31, 2020	Atty. Ronald Paul O. Cajucom submitted his application
June 2020	Completed Panel Interview materials and other required documents
September 10, 2020	Presented to GPNCom and requested instruction for the filling-up of the vacancy since the appointee will be directly reporting to the Board of Directors.
January 2021	Re-publication of the vacancy <ul style="list-style-type: none"> Do a Department-wide publication

	<ul style="list-style-type: none"> • Publish also in major newspapers
February 2021	Present to the GPNCom shortlisted candidates for the position

Atty. Reyes asked regarding the application of Atty. Cajucom. Ms. Caraso explained in her response that during the first publication of this vacant position, Atty. Cajucom applied for this position and it was only him who applied for the same. However, he resigned last December. Hence, there is no applicant left for this position. She added that the Human Resource Department already republished the hiring in the Jobstreet and the deadline for the application is until next week. There has been a report to her that an applicant submitted his application.

Atty. Reyes also asked if the current workload of Atty. Tresvalles will not be compromised if he will be designated as the Interim Compliance Officer. Ms. Caraso answered that Atty. Tresvalles is the most familiar with the submission of the statutorial requirements of SHFC to the different regulatory bodies. Atty. Tresvalles is hoping that his designation as the Interim Compliance Officer will not last until the proposed six (6) month period considering that he is also handling Department of Transportation (DOTr) and HDH projects which are very problematic.

Atty. Reyes commented that he thinks Atty. Tresvalles can handle the workload.

After thorough deliberation, the Board approved the Designation of Atty. Tristan Tresvalles as the Acting Compliance Officer in an interim and concurrent capacity for not more than six (6) months.

OTHER MATTERS

5. LETTER OF USEC. AGABIN TO SEC. DEL ROSARIO

Usec. Agabin wrote a letter addressed to Sec. Del Rosario regarding the ongoing concerns of the Department of Finance (DOF) with respect to several issues.



Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

25 January 2021

Secretary EDUARDO D. DEL ROSARIO
Department of Human Settlements and
Urban Development (DHSUD)
DHSUD Building, Kalayaan Avenue cor. Mayaman St.
Diliman, Quezon City

Subject: Social Housing Finance Corporation (SHFC)

Dear **Secretary Del Rosario**:

This is to respectfully raise the ongoing concerns of the Department of Finance (DOF) with respect to several issues regarding project approvals, due diligence requirements, and investigation reports of SHFC. We also refer to the 23 December 2020 and 29 December 2020 letters of Director George JT R. Aliño II, addressed to the Board of Directors and management of SHFC, where Director Aliño registered his continuing objection over non-compliance with agreed policies of SHFC.

While the DOF fully recognizes the accomplishments and continuing endeavors of SHFC in line with its mandate, we are constrained to bring to your attention the following issues and corresponding recommendations to further strengthen SHFC's organization and operations:

1. **Late submission of meeting materials and last-minute deviations from the agenda.** Board materials are given a day before the meeting. The very limited time given to review the materials, in addition to the varying items for discussion, does not give the Board and committee members enough time to study the matters for deliberation.

We reiterate our request that all meeting materials for Board and committee meetings, including the finalized agenda, be sent to the respective email addresses at least three (3) working days prior to the scheduled meeting. Moreover, we request that the agreed agenda be strictly followed, and any deviation therefrom be made known to the participants within the same time frame as the revised materials are sent to the attendees.

2. **Issuance of Certificate of Complete Staff Work.** In line with the proposals during the previous Board meetings regarding the due diligence requirements for projects and other relevant items for approval, the SHFC management should submit a Certificate of Complete Staff Work.

As raised in the previous Board Meetings, such certification should cover the due diligence conducted for the legal, financial, and technical matters of the said project, whenever applicable. This should be an integral requirement

1
2
3
4
5
6

before any matter can be elevated to the Board for deliberation. Consequently, the issuance of this certification would save considerable amount of time, since the members of the Board can altogether rely on the representations made by the management instead of having full-blown presentations during the Board meeting.

We hereby attach a sample Certificate of Complete Staff Work for consideration.

3. **Approvals and disapprovals in the Executive Committee (Execom).** From the previous Board discussions, and as represented by some Execom members during Board meetings, we also observe the trend of elevating to the Board several projects which have not merited the approval of the Execom.

This current setup may undermine the deliberations and thorough screening being done in the Execom level. Stated differently, a great deal of convenience in elevating projects to the Board might subject SHFC projects to undue prioritization. While we are cognizant of the Board's authority to decide on all matters elevated to it for deliberation, we also underscore the importance of closely scrutinizing each project in the committee level in order to sufficiently address all concerns therein.

In this regard, we respectfully recommend that DHSUD designate an Undersecretary or Assistant Secretary to sit in the Execom, among other SHFC Board Committees, who will oversee and contribute in the deliberations being done in the committee level.

4. **Implementation of the SHFC Construction Manual.** We understand that there have been previous debates between the management and the directors representing the private sector regarding the effectivity of SHFC Construction Manual. This notwithstanding, we deem that there are aspects of project approvals which must always be strictly evaluated by the Board, viz: (i) additional loan requests; (ii) eligibility of contractors; (iii) valuation of lands; (iv) duly authorized appraisers; and (v) availability of funds, among others.

In this regard, we see no substantial legal impediment in adopting the parameters used in the SHFC Construction Manual as soon as it was finalized and approved by the Board, provided no clear vested rights or contractual obligations are affected thereby.

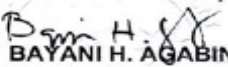
5. **Enforcement of Investigation Report.** We refer to the Fact-Finding Committee Report on Responsableng Samahang Pampayanan (RSP) Village Phase 1 HOA, Inc. presented to the Board on 01 October 2020. We understand that under the said report, there were findings of irregularities committed such as: (i) inconsistencies on inspection reports, (ii) incomplete supplementary evidence for detailed and inspection reports, and (iii) unauthorized changes in the parameters for cost estimates, among others, which may have enabled the commission of irregularities in the RSP Village project. We also understand that during the said presentation, the Board already approved the commencement of the administrative proceedings against erring employees involved.

Unfortunately, as of writing, there have been no updates from the SHFC Legal Department and the SHFC Enforcement Committee with respect to the said administrative proceedings. No preventive suspension has been served despite a clear prima facie case against employees identified in the fact-finding report as being directly involved in the said project. Some of the employees identified therein are still working on several projects of SHFC.

In this light, we urgently request for this matter to be tabled in the next Board meeting. There should already be proper identification of all the employees involved in the RSP Village project. We also request for the SHFC Legal Department and SHFC Enforcement Committee to initiate the administrative proceedings by filing the appropriate complaints against erring employees and serving preventive suspension orders when proper, in accordance with existing rules and regulations.

We reiterate our support to SHFC and the DHSUD Secretary in furtherance of our mandate to provide socialized housing to the rightful beneficiaries. Thank you for your attention.

Very truly yours,


BAYANI H. AGABIN
 Undersecretary
 Department of Finance



Copy Furnished:

SHFC Board of Directors
 Members

Atty. Arnulfo Ricardo Cabling
 President, SHFC

With respect to the site suitability, Atty Payot clarified that the Management will put on hold for now the publication of the SHFC Construction Manual so that they can revise the particular section on the site suitability wherein it will be done by a third-party. He added that the Management sees no delay considering that they can give Philstar the revision outright within the day.

1 Secretary Del Rosario added that the Management should specify in the Construction Manual
2 that the site suitability is the responsibility of the Management.

3
4 With respect to the timely submission of meeting Agenda and materials and disallowance of
5 the last-minute deviations in the Agenda, Atty. Valenciano explained that on the part of the
6 Secretariat, the protocol for the Agenda is to seek the instruction of the President or Chairman
7 if there are any other agenda that they would like to include. Sometimes the submission of the
8 Agenda is delayed, hence the materials are also delayed. The protocol previously which was
9 issued by the OBS was that three (3) working days before the Committee Meeting as well as
10 five (5) working days before the Board Meeting, the materials and the Agenda should already
11 been submitted. Atty. Valenciano mentioned that based on her experience in the past, the
12 materials are submitted late to the Secretariat hence, the submission to the Directors are also
13 late. She also informed the Board that she already issued another memorandum to the
14 Management for the timely submission of the materials. She further added that she remains
15 hopeful that the Management could heed to those instructions.

16
17 Atty. Payot assured the Board that the Management will be very mindful of the said submission
18 of the materials according to the said deadlines.

19
20 Secretary Del Rosario instructed the Management to take notes on the statement that the
21 Agenda will be strictly followed and any deviation be made known to the participants within
22 the same time frame as the revised materials are sent to the attendees.

23
24 Atty. Valenciano recommended instructing the Management that any revisions in the Agenda
25 that they submitted will no longer accepted after the first submission of all the materials.
26 Secretary Del Rosario added that unless he asked if there are other matters that the Board would
27 like to be included in the Agenda which should be approved by the Board.

28
29 Atty. Payot assured the Board that this matter will be discussed in the Management Committee.

30
31 Secretary Del Rosario commented that it rarely happens that his office would like to include
32 other items in the Agenda. Hence, he said that he gives it to the Management to finalize the
33 Agenda items for the Board Meeting. If the objective is to have the Agenda and Materials to
34 be sent at least 3 days before the scheduled meeting, then just do it.

35
36 With respect to the issuance of Certificate of Complete Staff Work, Atty. Valenciano
37 commented that she believes that it was discussed in the previous Board Meetings as
38 recommended by Usec. Agabin that there should be a Certificate of Due Diligence to be
39 submitted or to be signed by the Management regarding the projects. It is already an instruction
40 for the Management to submit those requirements prior to the presentation of any projects.

41
42 Atty. Payot added that the attachments mentioned in the letter such as the Certificate for Due
43 Diligence signed by the members of Management Committee, Certificate for Legal, Technical
44 Aspect and Funds availability are already included in the Construction Manual that will be
45 published. However, the Certificate of Complete Staff work will still be discussed in the
46 Management Committee.

1 Atty. Reyes suggested the Management that all the matters to be elevated to the Board or to
2 other Committees must be completely deliberated upon considering that the Certificate of
3 Complete Staff Work is a very important document which is notarized under oath.

4
5 With respect to the approval and disapprovals in the Committee level discussions, Atty. Reyes
6 mentioned that the request of Usec. Agabin for the good Secretary to designate a representative
7 has already been answered. Secretary Del Rosario commented that the representative he would
8 designate will not be overseeing the Committee and instead he will just be a member of the
9 Committee. He also said that his office will inform SHFC on the designation accordingly.

10
11 With respect to the implementation of SHFC Construction Manual, Director Aliño remarked
12 that this concerned has been resolved already considering that the said Manual will be
13 published by the end of the month and it will be effective in February.

14
15 Atty. Payot stated that when they submitted the Manual to Philstar yesterday, the latter
16 promised SHFC that it will be published on 31 January 2021. Although, the Management
17 advised Philstar that there are some revisions on the Manual, the Management can give the said
18 revision within the day. Hence, the schedule of the publication on 31 January will not be
19 affected.

20
21 Meanwhile, Secretary Del Rosario asked the Directors if they agree with his previous
22 recommendation that the site suitability will be the responsibility of the Management. Director
23 Aliño manifested that he agrees with the good Secretary to avoid delays considering that the
24 SHFC internal appraisers are capable of conducting site suitability study.

25
26 Atty. Reyes also agreed with the good Secretary on his recommendation considering that he
27 believes that SHFC employees conduct site inspection and communicate with the people on
28 the ground. Also, there findings will form part of the Certificate of Complete Staff Work which
29 proves that they comply with the due diligence in the inspection of the site.

30
31 Director Aliño then clarified that even if there was a question of effectivity on the
32 Management's side that the Construction Manual is till not effective until such time it is
33 published but the Board and the Management agreed that it is already considered effective on
34 the part of the Board when it was approved. Atty. Valenciano affirmed the statement
35 considering that she thinks it was the agreement that was presented before in the Committee.

36
37 Director Aliño also asked that from now until 15 February the Management will already
38 comply with the Manual even if the latter does not consider it effective on the part of the
39 Management. Atty. Payot answered affirmatively. He also thinks that was the understanding in
40 the last Board meeting that the five (5) projects presented were the last projects that would be
41 elevated to the Board prior that deviated from the Construction Manual.

42
43 Secretary Del Rosario clarified that the two (2) projects – Salag HADR HOAI and Obay
44 Heights HOAI are not exempted in the compliance with the Construction Manual. Meanwhile
45 the other three (3) projects were approved in principle however there is need for a local bank
46 to appraise the value of these lots.

1 Atty. Payot clarified that for the three (3) projects, Director Aliño proposed that in lieu of the
2 third-party appraisal, the Management Committee will instead just sign the Certificate of Due
3 Diligence. This was also approved by the Board. Director Aliño confirmed that he said that
4 statement last Board Meeting.

5
6 With respect to the enforcement of Investigation Report of RSP project, Atty. Valenciano
7 informed the Board that only last year the division of Enforcement and Investigation
8 Committee was included in the Legal Affairs Department. Previously, it was handled by Atty.
9 Cajucom who resigned last December. At the onset of the year, the said division is determining
10 the pending items or cases that need to be discussed in the Enforcement Committee. It should
11 also be noted that the jurisdiction of the Division regarding the administrative cases was only
12 approved last December. The Management now is already preparing for the commencement of
13 these administrative proceedings.

14
15 Secretary Del Rosario then asked if this matter is ready to be discussed in the next Board
16 Meeting as requested in the letter. Atty. Valenciano answered that probably the updates
17 regarding the process and status of the administrative cases can be presented to the Board next
18 Board Meeting.

19
20 Secretary Del Rosario then asked regarding the updates on the project itself. Atty. Payot
21 assured the Board that this matter will be discussed with Atty. Tresvalles on the negotiations
22 with RSP.

23
24 Secretary Del Rosario then commented that the Board made a decision already last July and
25 the Contractor committed that he is ready to start the construction in a month or two months.
26 However, until now the project is stagnant. He then added that the Board would want to know
27 what is happening or if there is a need for SHFC to declare that it is going to takeover on the
28 project considering that it seems that the Contractor is not ready to take the project. He further
29 added that the focus of the discussion in the next Board Meeting would be for the Board to
30 decide if they will allow the Contractor to finish the project just because the CA is stating that
31 they want that Contractor to complete the project. He also stated that he thinks that even if the
32 term of the Board would be over, nothing will still happen if the Board will continue to allow
33 the Contractor to complete the project. He then advised the Management to present a
34 recommendation on what will be the necessary procedure to be undertaken by the Management
35 regarding this project to be expedited immediately.

36
37 Atty. Payot assured the Board that the Management will give an update next Board Meeting.

38
39 With respect to the legal point of view, Secretary Del Rosario asked if SHFC has the right to
40 take over the project from the Contractor. Atty. Payot explained in his response that the contract
41 is between the Contractor and the Community Association (CA). However, the Management
42 is already rectifying this issue with the Construction Manual as well as the Tripartite
43 Agreement among SHFC, Contractor and the CA.

44
45 Director Aliño recalled that he raised an issue previously regarding the contract of the CA with
46 the General Contractor being valid. He then recommended the Management to present the
47 Certificate of No Objection next Board Meeting considering that the Management agreed
48 previously that they will secure the same to ensure the legality of awarding the contract to the

1 Sub-Contractor. Atty. Payot noted the recommendation of Director Aliño and assured the
2 Board that the Management will present the same.

3
4 Secretary Del Rosario then noticed that there are attached letters from Director Aliño in the
5 letter of Usec. Agabin. He asked Director Aliño if he would like to discuss these letters.
6 Director Aliño answered that most of the concerns in his letters were already discussed in the
7 letter of Usec. Agabin.

8
9 **After thorough deliberation, the Board instructed the Management to undertake the**
10 **following:**

11
12 **I. Timely submission of meeting Agenda and materials and disallowance of the last-**
13 **minute deviations in the Agenda**

- 14 a) **Committee Meeting - submitted three (3) working days before the meeting**
15 b) **Board Meeting - submitted five (5) working days before the meeting**

16
17 **Any item for discussion with materials not submitted within the timeframe will be**
18 **excluded from the Agenda and be deferred until the next Committee or Board meeting.**

19
20 **II. Issuance of Certificate of Complete Staff Work**

- 21 a) **Includes Committee and Board level submissions**
22 b) **Forms part of the SHFC Construction Manual**

23
24 **III. Approval and Disapprovals in the Committee level discussions**

- 25 a) **The Office of the DHSUD Secretary shall assign its own representative to the**
26 **respective Committees.**

27
28 **IV. Implementation of the Construction Manual**

- 29 a) **The publication in a newspaper of general circulation of SHFC's Construction**
30 **Manual is on 31 January 2021 in the Philippine Star.**

31
32 **V. Enforcement of Investigation Report of RSP project**

- 33 a) **The Management is instructed to submit its final recommendations to the Board**
34 **regarding the Project. The project concerns will be tabled for discussion in the**
35 **next Board meeting:**

- 36 1.) **The Management will give recommendation if they will allow the contractor**
37 **or not to complete the project**
38 2.) **The Management will also present the Certificate of No objection from the**
39 **Community Association (CA).**

- 40
41 b.) **Status of the Investigation shall also be reported in the next Board Meeting**
42
43
44
45
46
47
48

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

5
6
7
8
9
10

8
9
10