8GUAM HOUSING CORPORATION BOARD OF DIRECTORS REGULAR MEETING **Friday, May 31, 2019** Commenced: 8:35 a.m. Adjourned: 9:58 a.m. Roll call/quorum present: 5 members present	ATTENDANCE	
	Directors present: Francisco Florig, Chairman Sandra Bordallo, Director Cecilia C.A. Perez, Director Cecilia G. Mantanona, Director Lanita Tiong, Director Absent: Tomas Flores, Vice-Chairman	Management present: Alice M. Taijeron, President Angela Camacho, Housing Manager Mary Guerrero, Loan Administrator Alysia Leon Guerrero, Accounting Manager Cassandra Santos, ASMA John Muna, Maintenance Supervisor John Potter, Senior Tenant Relations Supervisor Arleen Evangelista, Administrative Secretary Patricia M.Q. Kier, Special Assistant Absent: None

	AGENDA ITEM	DISCUSSION	ACTION / PLAN	FOLLOW UP	RESPONSIBLE PARTY	STATUS
I.	**Approval of Minutes:** April 26, 2019	Board members reviewed the minutes of April 26, 2019 Regular Board meeting.	Upon motion made and seconded, the minutes for the April 26, 2019 Regular Meeting were approved by the Board without any further corrections nor amendments.	Legal Counsel	Legal Counsel	Approved

II.	**Legal Report:**	a. <u>Status of Foreclosure Cases</u>:	Legal counsel reported on the status of the foreclosure referrals from GHC and provided the Board a copy of legal counsel's updated written report documenting the status and action for each account as of May 31, 2019. Legal counsel summarized that as of May 31, 2019, there are twenty (20) pending loan accounts. Currently, there are nine (9) loan and amended workout and agreements, five (5) pre and post-bankruptcy accounts being monitored, and three (3) pending closing accounts (GHC-13; GHC-25; GHC-48); The following is a summary of activity of the remaining on-going accounts: <u>GHC-005</u>: Legal counsel is moving forward with the foreclosure sale and has scheduled the sale for August 27, 2019 since debtor has not cured the past due attorney's fees and costs from the prior foreclosure action; Debtor has made payments to Legal counsel, however, the payments are not sufficient to cure the outstanding attorney's fees and	Legal Counsel	Legal Counsel	Legal Counsel

			costs. **GHC-012:** Despite the delay caused by the ongoing requests made by debtor, debtor has not provided a viable proposal to cure the outstanding arrears due on the pending account. Legal counsel recorded a Second Amended Notice of Default and will schedule a sale date within 60 days from the date of the expiration of the Second Amended Notice of Default. **GHC-041**: Debtors executed a Deferment Agreement to allowing them to lease or sale the property within the three (3) moratorium period. At the instructions of GHC, this account is now closed and the file has be returned to GHC; **GHC-047:** Legal counsel reported that the foreclosure sale is scheduled for June 13, 2019 at 10:00 a.m. at the Yona Mayor's Office. In the interim, Debtors continue with their efforts to sell the property; 1. **GHC v. Troy Torres; CV0139-18**: Legal counsel reported			

			that Defendant Torres' continues to $100.00 per month to GHC to satisfy the deficiency judgment entered against him pursuant to the Court's order approving a payment plan. Legal counsel will continue to monitor the payments received by Defendant pursuant to the Court's Order. 2. **GHC v. BOG, et. al.; CV0281-18:** Legal counsel reached a resolution on this matter with the defendants and is awaiting for the court's decision on GHC's request awarding attorney's fees and costs and for entry of default judgment against the defendants. Legal counsel will continue to provide updated information and reports on the pending foreclosure and legal matters to the Board at the next regular meeting. Tabled pending status and completion of the renovation and refurbishing of the rental units.			

III.	**Old Business:**	a. <u>Legal Counsel Contract</u>: Legal counsel previously reported at the last meeting a discrepancy related to the commencement date and expiration of the initial three (3) year term under Section Two of the Professional Legal Services Agreement between GHC and Legal counsel. GHC Resolution No. 06-2019 was presented to the Board for the Board's review and action. b. <u>GHC'S Draft Bid Resolution</u>: The President reported that GHC continues to work with management and legal counsel to address this pending proposal.	Upon motion made by Director Perez, and seconded by Director Mantanona, and without any objections, the Board approved Resolution No. 06-2019 in which Legal counsel's initial three (3) year term commenced upon execution of the Professional Services Agreement on January 27, 2017 by the Governor of Guam; and that the termination of the three (3) term shall be effective on January 27, 2020. All other terms contained in the Agreement shall continue in full force and effect. The Board tabled this item for the next regular meeting.	Legal Counsel President / Management	Legal Counsel President/ Management	APPROVED PENDING
IV.	**New Business:**	a. <u>Status of Pending OREO Properties:</u> 1. **Dededo Property**. GHC President is working with legal counsel regarding the former borrowers' request for redemption of the property and the		President / Management	President / Management	PENDING

		redemption amount. 2. **Yona Property**. GHC's President reported that the Corporation may suffer a loss once GHC is ready and able to sell the property. GHC will clean up the property and will review offers received by interested parties. GHC is reaching out to realtors, contractors, etc. Only house flippers are interested in purchasing and flipping the house. The only offer received so far was $89,000.00. The property is booked at $120,000.00 and trying to get an offer close to the book value. The President stated that GHC will keep the offer time open until they receive a reasonable offer. The President also reported serious problems with a leak issue from a leak in the wall and the bathroom area and had to cancel a showing		President / Management	President / Management	PENDING

		because the floor was flooded. The water line may need to be repaired and re-piped. The President stated that GHC will not accept any offers unless presented to the Board for the Board's review and action.				
		3. **Piti Property**. GHC received a cash offer of $235,000.00 from a buyer. According to GHC's Accounting Manager, if the Corporation accepts the offer, GHC will realize a gain of $57,000.00. The President indicated that Legal Counsel will assist with preparing the Quitclaim Deed and Affidavit documents due to the issues related to the property.	Upon motion made by Director Perez, and seconded by Director Mantanona, and without any further objections, the Board approved the sale of the Piti OREO for $235,000.00.	President / Management	President / Management	APPROVED
		b. <u>BGI Investment Services</u>: The President reported that GHC currently has TCD funds invested with Bank of		President / Management	President / Management	PENDING

		Guam Investment Services, Inc. ("BGI"). BGI will start assessing quarterly fees for GHC's investment. The estimated fee annually is $3,242.00 / $810.50 quarterly. The current interest rate is 2.3% which generates $49,000.00 annual interest. The President reported that GHC will also research other investments that will yield better rates and interest for the Corporation and will report back to the Board.				
		c. <u>GHC's Investment Policy</u>: The President reported that Management needs to review and update the Corporation's investment policy and will establish a Committee to review its policy and make recommendations to the Board. The President also inquired if any Board members were interested in participating with this Committee.	Director Perez expressed her interest in participating in the Committee.	President / Management	President / Management	PENDING

V.	**President's Remarks:**	The President provided a written report to the Board documenting the status on the following items related to Rental Division, Mortgage Loan Division, Accounting, and Administrative Division as of April 19, 2019 TO May 23, 2019: a. <u>GHC Rental Division</u>: GHC still has a number of vacancies. The Rental Division is working on refurbishing the units to get them up to the rental standards and working on increasing some rental units for GHURA standards. GHC Manager reported that they have been able to upgrade 3 rental units. GHC can rent a 3 bedroom unit for $1,400.00 and will not let the units go unoccupied if GHC can acquire rental from GHURA. Legal counsel also reported that she is working on finalizing the lease documents for the Rental Division after meeting with the President and Manager and will provide the final lease	The Chairman inquired why there are 6 units out of 24 units that are vacant in As-Atdas. The Manager responded that GHC continues to undertake evictions and are continuing to refurbish the units to get them on line. The Manager also stated that the vacancies are also a result of a lack of manpower. The Manager also added that GHC has $30,000.00 allotted for outside renovations. The Chairman commented that he would like to see these funds be applied towards the inside units. The President reported that GHC will conduct an assessment of the As-Atdas units and would like to submit an Invitation to bid for the repair the units and is looking for funds to do the repairs. GHC Maintenance Supervisor also added that the	Management/ President	Management President	Management/ President

		package to Management for their final review and presentation to the Board for their comments and action.	problem with vacancy of the units is due to the low standards of GHC's clientele from Chuuk, Yap, and Ponphei which has led to the deterioration of the units. GHC is working on corrective measures to clean up the area which include getting rid of the gangs that live on the property, cleaning outside the units and removing abandoned vehicles. To date, there has been a big difference in the area due to the corrective actions taken. The Chairman suggested that GHC consider adopting an IDIQ proposal which involves GHC establishing an agreement with a contractor for a 3 year period to undertake repairs at an agreed upon price for a minimal amount of work, such as $10,000.00, when monies become available to GHC for repairs. GHC Manager also reported that aside from the repairs to the units, As-Atdas has plumbing issues resulting in clogged sewer lines which may be due to the slope drain of the sewer pipe. The Chairman suggested that GHC retain a mechanical engineer to do an assessment of this problem and			

			get it repaired soon. The President responded that GHC will look into these issues and will report back to the Board. The Chairman commented that GHC look into more monies to get loans out for less. The President responded that GHC is working on a proposal to have Grade A borrowers refinance their loans resulting in a cash infusion into GHC. GHC is also engaging in further dialogue with WestCare. Director Bordallo inquired whether GHC buys property, and if so, GHC should consider purchasing the Plumeria Units which would allow GHC to set up its office there and house tenants. Director Bordallo also suggested that GHC reach out to GEDA as a funding source for this purchase. The President indicated that GHC will look into this matter and report back to the Board.			
		b. <u>Mortgage and Loan Division</u>: The President informed the Board that GHC received $100,000.00 for the First Time Home Owner's Assistance				

		Program (FTHAP). GHC continues to work with the Administration and DOA to secure the additional $200,000.00 due to GHC for the Program. The President also reported that GHC is reaching out to the CLTC regarding other loan programs that may be available.				
VI.	**Reports:** Refer to the President's Report dated April 19, 2019 to May 23, 2019.			Management	Management	Management
VII.	**Public Participation:**	None.				
VIII.	**Miscellaneous:**	The Chairman announced that the Board address a motion ratifying former employee, Adelina "Addie" Arceo resolution acknowledging and congratulating her for her dedication and service to the Corporation. Upon Motion made and seconded, and without any objections, the Board ratified the Resolution.				

IX.	**Adjournment:**		The Board scheduled their next Board meeting for **Friday, June 28, 2019, at 8:30 a.m.** Upon motion made, and seconded, and without objections, the meeting was adjourned at 9:58 a.m.			

APPROVED AND ACCEPTED
AS TO FORM AND CONTENT:

GUAM HOUSING CORPORATION

By: _____
FRANCISCO FLORIG, Chairman

Date: 6/28/2019.

MINUTES TRANSCRIBED
AND PREPARED BY:

LAW OFFICE OF CYNTHIA V. ECUBE, ESQ.
A Professional Corporation

By: _____
CYNTHIA V. ECUBE, ESQ.
Legal Counsel for Corporation

Date: 6/28/19.