

# Shelter Design and Development – a proposal

Enhancing the Housing Program for the Urban Poor in Cagayan de Oro City



*Grace Ceres B. Saniel*

Regional Coordinator, Region10

Housing & Urban Development Coordinating Council

Philippines

## INTRODUCTION

Despite the shelter programs implemented and all the other efforts made by the national and local governments, a good number of our urban poor, especially those belonging to the 30% below the poverty line are either threatened by eviction and/or demolition or are still wanting of security of tenure. For them, acquiring a house and lot remains an elusive dream.

This paper is an evaluation of the present housing situation in Cagayan de Oro, the policies adopted and programs implemented by the national, local governments and private sector to address the housing problems. The result of this paper is a menu of policies and programs recommended/proposed that can enhance the shelter delivery system of the city.

# 1 Shelter Situation Analysis



## Basic General Data

### Geography and Administration

Cagayan de Oro (Cod) is located at the northern coast of Mindanao, Philippines. It is the capital of Misamis Oriental province and the largest city in and the regional centre for Northern Mindanao. CdO is politically subdivided into 80 barangays. (A barangay, also known by its former Spanish adopted name, barrio, is the smallest administrative division in the Philippines and is the native term for a village or ward) These are grouped into two congressional districts by the Republic Act No. 9371, with 24 barangays in the 1<sup>st</sup> district (west) and 56 barangays in the 2<sup>nd</sup> district (east) with the

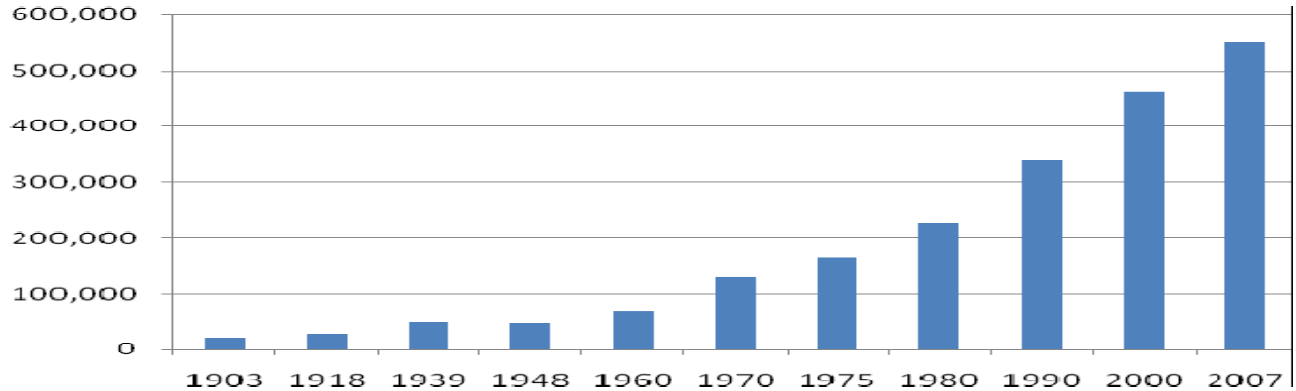
Cagayan de Oro River as the natural boundary. It has 57 urban barangays and 23 rural barangays.

Its distance from Metro Manila is 810 air kilometres. It can be reached within 1 hour and 45 minutes by plane and 40 hours by ship. Average temperature is 29 C.

It is administered by duly elected officials since June 15, 1950. The Mayor heads the executive branch and the Vice Mayor the legislative branch with 16 councillors, 7 from each of the two districts serving a 4-year term. Each district is represented by a Congressman in the House of Representatives.

## Demography and Health

Figure 1 Population Growth Trend of Cagayan de Oro, 1903-2007



From the 2000 Census on Population on Housing, CdO had a total population of 461,877 with 93,525 households with an average household (HH) size of 4.91. By 2007, it reached 553,996 recording an annual growth rate of 2.54% per annum. This represents 14% of the region and .062% of the country’s population respectively. If the annual growth rate is unabated, the city’s population will double in 24 years or by year 2034. The same census recorded a birth rate of 24.43 births/1,000 population and a death rate of 6.52 deaths per 1000 population. Women have a higher life expectancy at 69.28 compared to men’s at 63.57 years old.

Median age is 21 years old and the dependency ratio is 60.38%. Females outnumbered the males by barely 3%. CdO has a total land area of 412.80 square kilometres, 50.18 % of which are urban and the remaining 49.82% rural. Population density is established at 1,341.97/sq. km.

Figure 2 COMPARATIVE DEMOGRAPHY  
As of 2007

FACTS	CAGAYAN DE ORO	REGION 10	PHILIPPINES
Population	553,996	3,952,437	88,574,614
Land Area (SQ. KM)	412.80	20,186.17	300,000
Population Density (persons/sq.m.)	1,342	196	295

Per Socio Economic Profile of CdO, as of 2007, pneumonia is recorded as the leading cause of mortality followed by cancer and cardio-vascular diseases while cough and colds, pneumonia and Upper Respiratory Tract Infection are the leading causes of morbidity.

The City has a 1:422 hospital bed to population ratio as of 2007. There are 12 private and government hospitals and 54 Barangay Health Stations. CdO has a total of 573 physicians, 733 nurses and 251 midwives.

Figure 3: Status of Sanitation Facilities in Cagayan de Oro 2007

Sanitation Facility	Percentage of Households
Access to Safe Water Supply	99.08
Level I	-
Level II	12.36
Level III	86.72
With Sanitary Toilet	87.78
With Satisfactory Garbage Disposal	79.53

Source: Provincial Health Office, Misamis Oriental

Around Eighty six (86.72%) percent have water piped connection to their individual houses, 12.36% share community faucet while a very few are still relying from the rivers and rain water. Water is likewise relatively cheap because of the presence of water supply tapped by the local company. Twelve percent of the household have no available sanitary toilet and 20.47% have no satisfactory garbage disposal.

### Economy

CdO is the business hub of Northern Mindanao with the annual income reaches to a local high of 1.345 billion pesos as of fiscal year 2006. The city's economy is largely based in industry, trade, service and tourism. As of 2007 there were a total of 15,992 establishments in the city.

Volume of imports increased by 22% while exports decreased by 3.8%. Exports value, however, increased by 41.5% in 2008.

In 2007, top ten commodities for import were tricum wheat, foodstuff, petroleum gas, flour, chemicals, mineral products, coffee and cream, fertilizers; milk and cream and steel slabs. Top ten export commodities were: canned pineapple products, desiccated coconut, cement, everyday

milk powder, coconut oil, clinker, fresh pineapple, coconut shell charcoal, KD wood finished products and fresh bananas.

Figure 4 Volume and Value of Imports and Exports in Cagayan de Oro, 2007-2008  
(Volume in metric tons; Value in thousand pesos)

PORT	2007		2008	
	Volume	Value	Volume	Value
Import	598,666.88	14,350,936.81	736,011.68	14,464,147.64
Export	995,585.49	190,196.69	957,154.41	269,158.28

Source: Bureau of Customs 10

## 1.2 Shelter Related Fact and Figures

### Access to Shelter

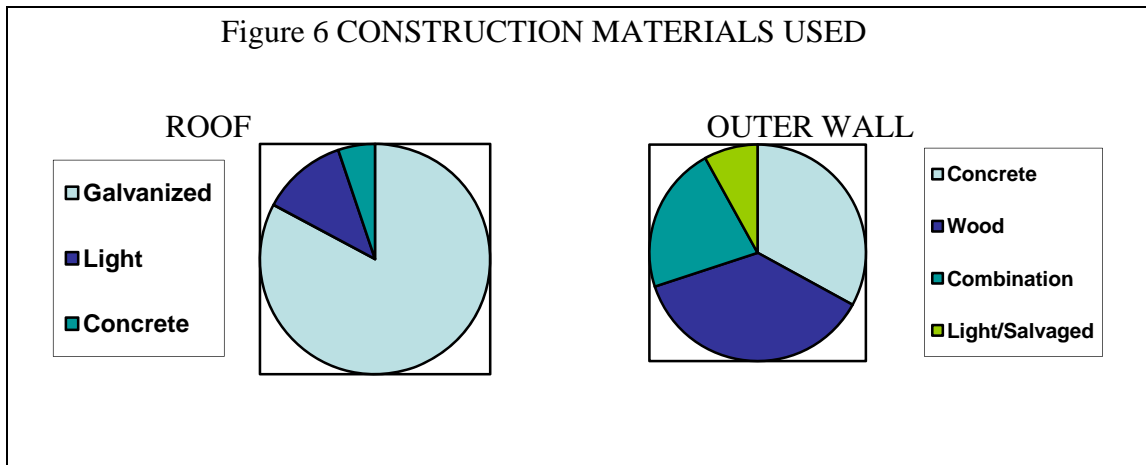
#### Housing stock

Figure 5 HOUSING STOCK AS OF 2000		
No. of Housing Units	No. of Households	Deficit
90,868	93,525	2,657
AS TO CONSTRUCTION MATERIALS		
Roofing	No. of Units	% to total
Galvanized Iron	75,247	82.81
Light/Salvaged	10,905	12
Concrete/Others	4,716	5.19
Outer Walls		
Concrete/Brick/Stone	29,950	32.96
Wood	33,621	37
Combination of Concrete and Wood	19,991	22
Light/Salvaged	7,306	8.04
AS TO OWNERSHIP		
Owned/Amortized	61,790	68
Rented	14,539	16
Occupied for free with or Without consent from owners	14,539	16

Source 2000 Census on Housing and Population, National Statistics Office

As of year 2000, the latest survey conducted on residential buildings, CdO has a total of 90,868 housing units. With a registered 93,525 households, a deficit of 2,657 housing units is established to be able to have an ideal ratio of a housing unit for every household.

As to the construction materials used, it can be said that more than 50 percent of the houses have longer life span and around 5% of this housing stock needs major repair or replacement since they are only made of light or salvaged materials.



Around 5% are located along danger zone (e.g. river banks, seashores, erosion prone areas, etc.) and there is a need for them to be relocated.

A significant number of households are already facing demolition or ejection threats while others are potential of being ejected once the owners will decide to sell their lot to other people or use it.

Majority (85%) of the housing units were single houses. Two out of five occupied housing units were relatively new (built from 1995 and after).

Between the years 1995-2003, the city experienced dramatic growth in housing sector. In trying to meet the housing needs, the government relaxed the regulatory measures and gave tax incentives which encouraged the private sector to engage in housing industry, particularly the socialized housing. Hence, the housing industry boomed. However, this met some problems because people just bought the houses without looking at the affordability so they ended up having arrearages that they can no longer cope to pay. The government ended up incurring bad debts and acquired assets.

Figure 6 HOUSING NEEDS  
2000-2010

CATEGORY	NO. OF UNITS	% TO TOTAL
2000 Backlog	2,657	6.80
Displaced units	4,543	11.60
Needs major repair/replacement	4,347	11.10
Homeless	16	.04
Population Growth (HHs)	27,579	70.46
TOTAL	39,142	100

Source: City Planning Office, Cagayan de Oro

As can be gleaned from the table above, the highest percentage of need is due to population growth.

Of the housing units produced or financed by different government agencies, 60% were socialized housing. However, it cannot be concluded that all these have given security of tenure to Cagayan de Oro residents because some of these houses were being bought by parents whose children are attending in one of the schools in the city or those who come here regularly for their business or relaxation purposes.

Figure 7 HOUSING ACCOMPLISHMENT 2000-2009

CATEGORY	NO. OF UNITS	% TO TOTAL
SOCIALIZED	10,940	67.28
ECONOMIC	5,319	32.72
TOTAL	16,259	100

Source: Accomplishment Reports of Agencies as consolidated by HUDCC-10

Granting that 95% of these units have provided security of tenure to the city residents then it addressed 39.46% of the needs, reducing the housing total need to 23,696 units. If we peg the cost of each unit at an average of P300,000.00 then a capitalization of 7.1 billion pesos is needed

to realize the city's vision of one housing unit for each household and that is to cover until 2010 only.

Figure 8  
Affordability Analysis  
Based on 2006 Family Income Survey

INCOME GROUP	M O N T H L Y I N C O M E				
	1 <sup>st</sup> Decile	2 <sup>nd</sup> Decile	3 <sup>rd</sup> Decile	4 <sup>th</sup> Decile	5 <sup>th</sup> Decile
Income (min- Max) in PhP	10,000- 3,333	3,334-4,999	5,000-8,333	8,334-20,833	20,834 & above
In US \$	21.73-72.45	72.47-108.67	108.69-181.15	181.17-452.89	452.91 & above
No. of Families (% to total)	3,689 (3.27)	10,775 (9.55)	26,807 (23.76)	46,405 (41.13)	25,148 (22.29)
Average Monthly Income	3,000.00	4,500.00	5,000.00	12,500.00	30,000.00
Potential % Of Income Allocated For Housing	10	12	15	20	25
Potential Annual Capital for Housing	3,600.00	6,500.00	9,000.00	30,000.00	
Affordable Housing Loan (@ 6% interest Rate per Annum Payable in 30 years)	50,000.00	90,000.00	120,000.00	400,000.00	
Monthly Amortization**	300.00	539.00	720.00	2,400.00	

\*based on current exchange rate of US\$1=PhP46.00

\*\* The monthly amortization computes the Principal and Interest only. The Mortgage Redemption Insurance and Fire Insurance are excluded.

Based on the survey conducted by the National Statistics Office, the higher the income the higher % of their income is allocated for housing.



As stated under Section 15 Article 5 of UDHA, socialized housing<sup>1</sup> is designated as the primary strategy in providing shelter for the underprivileged and homeless<sup>2</sup>.

When the Socialized Housing Program was 1st implemented, the maximum price of house and lot package was pegged at P150,000. Due to the continuing increase of the cost of land, construction materials and labour, the ceiling price was adjusted until it reached to each current ceiling price at P400,000.00 and almost always, the developers would adopt this as their selling price.

Looking at the affordability analysis table, it clearly indicates that only those families with an average monthly income of P12,500.00 per month and above and are willing to allocate at least 20% of their income can afford to avail of the maximum socialized housing package. The families belonging to 1-3 and a percentage of those under 4th decile, who make up about 40% of the total number of families, can

not afford to acquire a socialized housing developed by private developers and most of them do not have access to financing institutions. They are left with no other option but to resort to renting an informal housing or invade vacant private properties. This explains why a significant number of poor families do not have security of tenure.

With this scenario, the government has given focus to give assistance to the 40% of the income poor family in the provision of security of tenure. But then again, despite the shelter programs implemented and all other efforts made by the government, majority of them are still threatened by eviction and demolition. Acquiring a land and house remains an elusive dream. Major challenges faced by the urban poor are affordability, non-accessibility to financing and lack of know-how.

To avoid demolition and eviction, the National government implemented various programs to address the housing demands. Among the programs implemented are the Community Mortgage Program (CMP) administered by the Social Housing Finance Corporation (SHFC), Group Land Acquisition and Development (GLAD) Program administered by the Home Development Mutual

---

<sup>1</sup> Section 3 Art 1 of UDHA defined socialized housing as housing programs & projects covering houses and lots or home lots only undertaken by the government or private sector for the underprivileged and homeless citizens which shall include sites& services development, long term financing, liberalized terms of interest payments and such other benefits in accordance with the provisions of the Act.

<sup>2</sup> Underprivileged and homeless are individuals and families residing in urban and urbanizable areas and beneficiaries of UDHA whose income or combined income falls within the poverty threshold as defined by the National Economic and Development Authority and who do not own facilities. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure

Funds (HDMF) in which residents of the privately-owned lands or those that need to be relocated are given access to avail a loan to acquire the land they presently occupy or where they will be relocated. The interest rate is 6% per annum payable up to 30 years. Residents have to organize themselves to be able to avail of the loan. To help them in organizing and in the processing of the documents, they will enlist the assistance of an originator for a minimal fee. Most of the originators are non-government organization but they can also opt for the National Housing Authority which also charges originator's fee. The originator will act as the associations' mentor and guide and in the process giving them the chance to learn and in imparting the knowledge and know-how they are empowered. Other programs include Resettlement in which the Local Government Units (LGUs) will acquire the land and the National Housing Authority (NHA) will be in charge in developing the land. In this program, the LGUs are not required to pay for the land development shouldered by the NHA but they are to collect from would- be beneficiaries the cost of development. Proceeds of the collection shall be used to finance additional housing projects and attain financial reflows/sustainability. Slum Upgrading is another program in which existing blighted areas are improved (e.g. provision/upgrading road network, utilities and facilities).

With the passage of the Local Government Code of 1991 (RA 7160) and the Urban Development and Housing Act (UDHA) of 1992 (RA 7279), the responsibility of providing shelter needs has been shifted from the National Government to the Local Government Units (LGUs). These two laws mandate LGUs to implement programs and projects in low cost housing and other mass dwellings especially for the underprivileged and homeless. Some of the mandates for LGUs as enumerated in UDHA are as follows:

- Identify lands for socialized housing and resettlement areas for the immediate and future needs of the underprivileged and homeless citizens in urban areas.
- Identify and register all qualified socialized housing beneficiaries;
- Provide basic facilities in the socialized housing or resettlement areas in cooperation with the private sector and concerned citizens.

In response to mandates (RA 7160 & RA 7279), the Local Government of Cagayan de Oro created the Local Housing Board. The primary task of this body is to evaluate the housing situation, identify the housing needs, issues and concerns and formulate strategies and programs to address them. Unfortunately, the Board only met twice and up to this time it remains inactive.

But the city has not been remiss of its tasks. To address the growing housing needs, it implemented various programs for the urban poor. Two major programs implemented are the land banking and subsidy scheme.

Under subsidy scheme, the LGU subsidizes 10% of the acquisition cost of area that will be bought by the urban poor association for their housing site. With land banking, the LGU acquired parcels of residential lands for disposition to bonafide residents. The biggest area acquired was a 63-hectare land. To acquire this, they borrowed PhP50 Million from a government bank then enrolled it as resettlement area. As such, the National Housing Authority took charge of the development by phase (e.g. Road development, drainage system and the provision of septic tanks). Portions of this area has already been awarded and sold to the pre-screened beneficiaries with a selling price that is practically a give away at PhP1.00/lot. They referred this as the piso-piso program in reference to the land price of piso per lot. Piso is the local dialect of one peso.

While the intention is noble, its sustainability suffered simply because a huge amount of money is needed to buy lands.

Further, with the implementation of this program, the urban poor shunned the government housing loan because they opted to avail of the piso-piso program which they can have a security of tenure for free than pay monthly amortization even if they can afford it. Those that have not yet been accommodated just waited hoping that they will be selected as one of the beneficiaries of the program. Hence, the Community Mortgage Program and GLAD became unpopular.

The general public felt that the local government is spending too much but only a few are benefiting from it. The economic cost far outweighed the benefits. It would have been economically gainful had they use the funds to develop roads and increase city's income through the following:

- Increase access and circulation
- Cost savings resulting from decreased traffic volume (delivery of goods and services can be done in a shorter span of time)
- Increase market valuation of the lots adjacent to and within the vicinity of the roads
- Increase economic activities

On the other hand, the national government has been advocating for a NO-DOLE-OUT policy (dole out is giving of something for free or without cost) due to the following reasons:

- To let home partners claim ownership/partnership and this can be achieved if they part portion of their earnings in acquiring their homelands;
- Based on studies conducted, dole out system is not effective. People who benefited from this system have a high tendency to take for granted what was given them. They will just sell it and go back to illegal occupation hoping that they be granted another lot. Hence, pushing them to become professional squatters.
- It is very costly on the part of the government that it will be very difficult to sustain it.

Collection records showed that urban poor are good loan borrowers. They take their responsibility seriously especially if it concerns their security.

As expected, the piso-piso program of the LGU came to a halt for lack of funds. They are now into the subsidy scheme. The problem with the subsidy scheme is that the LGU has not come up with a clear policy on criteria and guidelines and its annual allocation. In fact, as of the present a number of associations are still awaiting for the approval of their request for subsidy.

With the suspension of the piso-piso program, the CMP has been re-introduced. However, the urban poor are wary of this program because of its tedious process as they claimed, despite the reduction of the documentary requirements and signatories. In response to their clamour, Congressman Rufus Rodriguez, the Housing & Urban Development Coordinating Council (HUDCC) and other housing agencies, the LGU of Cagayan de Oro, the urban poor association representatives, the NGOs, the Presidential Commission for the Urban Poor (PCUP), the Department of Environment and Natural Resources (DENR) and other concerned stakeholders conducted consultation and dialogue as to how they can be of help in facilitating the CMP process. As a result, the Special Housing Group (SHG) was created with the above mentioned institutions as members. The SHG committed to extend technical assistance to the associations to facilitate and expedite processing. The interventions in the table below were conducted:

With the above interventions, one loan has already been released amounting 6 million pesos and another 5 associations/loans worth 25 million pesos are already in the pipeline. Cong. Rodriguez was able to get an allocation of 30 million pesos for CMP project for Cagayan de Oro from the National Housing Authority.

Figure 9 Interventions Introduced by SHG

ACTIVITIES	OBJECTIVE/EXPECTATIONS	RESPONSIBLE/ LEAD AGENCY
1. Conduct Orientation to all members of the association and the landowner/s	<ul style="list-style-type: none"> <li>• gain full understanding of the requirements and the processes</li> <li>• assure landowners of the legitimacy of the program and the association they are dealing with</li> <li>• get full cooperation from all parties</li> <li>• levelling-up of understanding understand their responsibilities and accountability</li> </ul>	SHFC
2. Conduct training/ orientation of the officers of the association.	<ul style="list-style-type: none"> <li>• Understand their roles, responsibilities and accountability</li> <li>• Empowerment</li> <li>• Good governance</li> </ul>	PCUP
3. Conduct orientation on savings scheme	<ul style="list-style-type: none"> <li>• Strengthen the savings consciousness</li> <li>• Ensure availability of funds needed in the procession of documents and for the equity, if any</li> </ul>	Originator
4. Supervision and monitoring of originators	<ul style="list-style-type: none"> <li>• Ensure transparency and accountability</li> <li>• Smooth coordination between originator, borrower and land owner</li> </ul>	SHFC
5. Conduct coordination meeting	<ul style="list-style-type: none"> <li>• Facilitate speedy and smooth processing</li> </ul>	HUDCC
6. Conduct series of orientation on Livelihood	<ul style="list-style-type: none"> <li>• Augment family income</li> <li>• Empowerment</li> <li>• Improved quality of life</li> </ul>	PCUP
7. Linkage to the National Government	<ul style="list-style-type: none"> <li>• ensure availability of funds</li> <li>• smooth implementation</li> </ul>	Office of the Congressman

### Access to and cost of Basic Services/Infrastructure

Around 86% of the total households are connected to electricity. However, a considerable percentage especially in the slum areas, tapping of electricity is common. This can lead to electrocution, short circuit and fire. The others are still using the antiquated gas lamps and or candle for lighting which is also dangerous for fire. The proximity of the power grid, which is

located around 98 kilometres from the city, made the power rate a little cheaper compared to other cities.

Transportation is not a problem in the city as roads are present even in remote areas. Although, in remote areas roads are rendered impassable during rainy season and other are in deteriorating state due to the absence of maintenance.

### Access to and cost of Education

Primary and secondary education is given free by the government. However, some of those belonging to the middle and higher income bracket prefer to enrol their children to private schools because the public schools especially those located in far-flung areas lacked facilities. In fact, there are more private than public schools especially at the pre-school and tertiary level but enrolment wise majority of the students are enrolled at the public schools. The city has three private and a government-owned universities.

### Housing Policy

To ensure continuing urban development and housing program, the national government enacted Republic Act 7279 otherwise known as the Urban Development and Housing Act (UDHA) of 1992. One of the main objectives of this Act is to uplift the conditions of the underprivileged and homeless citizens in urban and resettlement areas by making available to them decent housing at affordable cost, basic services and employment opportunities. It declared socialized housing as the major strategy/program to realize the objective cited above in which it spelled the eligibility criteria for the socialized housing beneficiaries. It further defined the roles and responsibilities of the Local Government Units, the national government and other major stakeholders. It also included the provision of incentives to the private sector participating in the socialized housing (e.g. exemption from payment of some taxes, simplification of financing procedures).

The UDHA also adopted the policy of balanced housing as specified under Section 18. It mandates developers of high end projects to develop an area equivalent to at least 20% of the total subdivision area or total subdivision project cost. They can also opt to buy housing bonds or directly pay to the LGU a certain amount that is deemed equivalent to 20% of lot area. The developer will not be issued license to sell unless they will comply with this provision.

The national Government makes general policies and strategies but this does not hinder the LGUs from adopting their own that could compliment and strengthen the national framework.

One example of this is the upgrading of standards. For instance, on the road width, while the national policy set a minimum of 10 meters for major roads, the city increased it to 12. This however was complained by the urban poor because it meant additional cost on their part.

#### 1.4 Actors in Shelter Delivery and their Roles

Aside from the national and the local government, developers also play a key role in the provision of housing. Non-government organizations also come in and extend technical assistance to the organized urban poor for them to avail of the community mortgage program of the government. Other actors include land owners, realtors, brokers, surveyors, contractors, architects, engineers, the labour sector and of course, the people themselves.

#### 1.5 Shelter Design

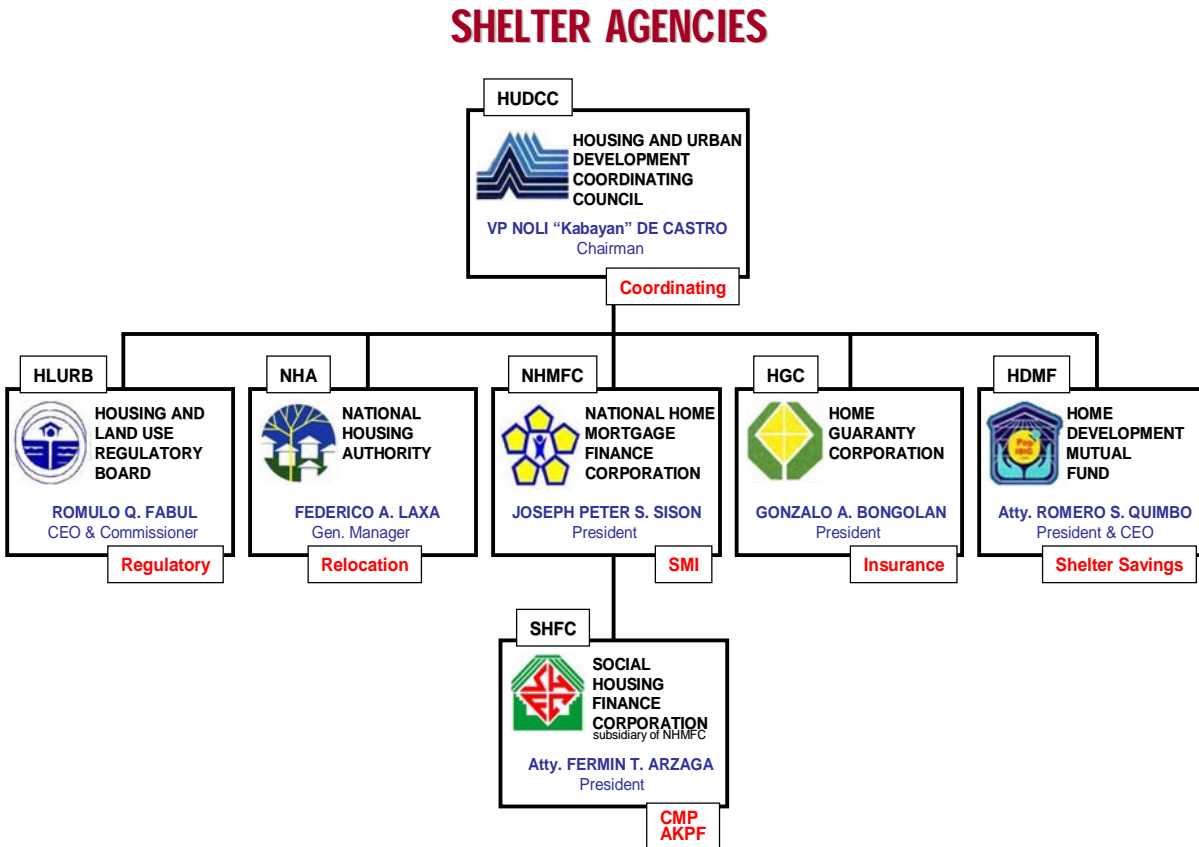
CdO incorporated in their Comprehensive Land Use Plan (CLUP) the designation of socialized housing areas. The CLUP is prepared and finalized in coordination and consultation with multi-sectoral stakeholders including the conduct of a public hearing. The City is also tasked, thru UDHA, to formulate a 5-year Shelter plan and to conduct evaluation and review every 5 years thereafter or earlier as the need arises. In the case of CdO, they formulated their 1<sup>st</sup> shelter plan in mid 1990 but have not updated it since then.

Most of the housing projects in the city are undertaken by private developers and they have to conform to the policies and standards set by the government otherwise they will not be issued permits and licenses. But for the urban poor, almost always it is the government that undertakes and finances the housing projects. Just like the private sector, they still have to conform to the standards set except for the on-site Community Mortgage Program projects wherein the standards are relaxed a bit since the area is already fully occupied.

Housing projects can be implemented within the residential zone and other compatible land uses like institutional (near school) or light commercial zone but

Majority of the housing units are built on conventional materials like mixed cement for foundation, hollow blocks for walling and galvanized iron for roofing. These materials have favourably long life span and needs minor maintenance. A higher percentage of the houses are gated for protection and security.

## 2. Organisation



The Housing and Urban Development Coordinating Council (HUDCC) is created virtue of Executive Order No. 90 dated 17 December 1986. The Executive Order, which also abolished the Ministry of Human Settlements, place HUDCC under the direct supervision of the Office of the President to serve as the highest policy making body for housing & coordinate the activity of the government housing agencies to ensure the accomplishment of the National Shelter Program.

The Chairman of HUDCC sits as chairman of the Board and exercises supervision over the operations of the Key Shelter Agencies as follows:

1. National Housing Authority (NHA) the production arm which administers the Resettlement, Slum Upgrading and joint venture projects. They also extend technical assistance to the urban poor associations in the survey and subdivision plans especially



those who opt to undertake self-help housing projects and to the LGUs in the implementation of their housing projects;

2. Home Guaranty Corporation (HGC) provides risk coverage or guarantees and tax/fiscal incentives to banks and financial institutions/investors granting housing development loans/credits and home financing
3. Housing & Land Use Regulatory Board (HLURB) is the regulatory arm and as such, enhances rational land use and housing and real estate delivery through policy development, planning and regulations.
4. Home Development Mutual Fund (HDMF or otherwise known as Pag-IBIG) generates savings and provides financing for the housing needs of the workers
5. National Home Mortgage Finance Corporation (NHMFC) provides secondary mortgage market
6. Social Housing Finance Corporation (SHFC) administers the Community Mortgage Program.

### **3. Shelter Problem**

Being the most peaceful city in Northern Mindanao and its strategic location placed Cagayan de Oro as one of the areas sited by investors to either put up their projects or as their expansion site. With the investments coming in the city is experiencing the effects of urbanization like increasing population density, congestion, and environmental degradation, rising cost of urban services, and increasing difficulty in providing employment for the growing population and increasing housing needs. The emergence of new industries likewise induced speculators to buy land for future investments, thus spiralling the prices of lands.

The urban poor, especially those belonging to the 40% below the poverty line is financially incapacitated to acquire land where they can construct their housing units.

The Local Government, on the other hand, is implementing programs to address the problem of security of tenure. However, because of the magnitude of the housing needs, the city is wanting of financial sources/resources to fully eradicate homelessness.

The National Government through the housing agencies and corporations are lending money to the urban poor to be able for them to acquire house and lot, lot only, construct or repair housing units.

Despite these programs, the housing needs remain high because of factors ranging from affordability, accessibility of loans, lack of know-how, and even the tedious process in accessing financing.

To summarize, the city is faced with the following problems related to housing:

- Growing Housing Needs
- Affordability
- Non-Accessibility to Financing Institutions
- Insufficient availability of affordable lands
- Presence of Dole-Out Mentality
- Distortion of land prices
- Low Participation of the private sector in socialized housing
- Mismanagement of Funds
- Lack of leadership and organizational capability of the urban poor
- Poor grasp of technical requirements and processes by non technical group (urban poor associations)
- Lack of Transparency and Accountability

#### 4. Proposal for Change and Improvement

It is within this context that the author proposed that the present system adopted and programs implemented be improved. Hopefully, the innovation will not only minimize or fully eradicate homelessness but will also empower the people especially those belonging to the lower income strata and make them better and more useful citizens.

PROBLEMS	PROPOSALS FOR CHANGE AND IMPROVEMENT	ACTORS
Growing Housing Needs	<ol style="list-style-type: none"> <li>1. Reactivate Housing Board</li> <li>2. Revisit, update and revise Shelter plan through Multisectoral approach</li> </ol>	
Affordability	<ol style="list-style-type: none"> <li>1. Systematize and institutionalize savings scheme</li> </ol>	Urban Poor NGO

	<ol style="list-style-type: none"> <li>2. Link with non-profit organizations that are into housing like Habitat</li> <li>3. Support livelihood programs to increase income and paying capacity of the urban poor</li> <li>4. Promote Urban Gardening to lessen the household expenses in increase savings</li> <li>5. Implement New Pag-IBIG charter (Republic Act 9679) mandating all SSS and GSIS members to be covered by Pag-IBIG Savings.</li> </ol>	<p>LGU Pag-IBIG Employers</p>
Non-Accessibility to Financing Institutions	<ol style="list-style-type: none"> <li>1. Implement New Pag-IBIG Charter so low Income earners can borrow from Pag-IBIG</li> <li>2. Advocate Community Mortgage Program</li> <li>3. Coordinate with micro-finance institutions and rural banks and encourage them to go into housing and livelihood loans</li> </ol>	<p>Pag-IBIG SHFC LGU Urban Poor Associations</p>
Insufficient Availability of Affordable lands/Distortion of Land Prices	<ol style="list-style-type: none"> <li>1. LGU and NHA to go into land banking</li> <li>2. identify idle lands/government owned lands suitable for housing/presidential proclamation</li> <li>3. Assist the poor communities in negotiating with the land owners through adoption and institutionalization of the multi-sectoral approach</li> <li>4. Consider two-storey residential buildings, row houses or duplex</li> <li>5. Continue Advocacy on the different housing programs</li> <li>6. Give incentives, i.e. Tax credits, discounts from registration and licensing fees</li> <li>7. Impose higher Real taxes on idle lands. This is a way of discouraging land speculators from Buying lands or if not then this is a way of Penalizing them for distorting the price</li> </ol>	<p>LGU HUDCC NHA Bureau of Internal Revenue (BIR)</p>
Presence of Dole-Out Mentality	<ol style="list-style-type: none"> <li>1. Adopt a no savings no grant of subsidy policy</li> <li>2. Non-replication of piso-piso program</li> <li>3. Strengthen advocacy to NO to dole-out</li> <li>4. Clearly Implement Subsidy Program</li> <li>5. Systematize and institutionalize savings scheme</li> </ol>	<p>SHFC LGU HUDCC PCUP NGO</p>

	6. Educate urban poor and politicians	
Low Participation of The private sector in Socialized housing	<ol style="list-style-type: none"> <li>1. Encourage private sector participation by giving incentive (e.g. tax credit, exemption/discounts from registration and licensing fees)</li> <li>2. impose policy that balanced housing should be located within the city</li> </ol>	LGU Bureau of Internal Revenue (BIR) HUDCC
Mismanagement of Funds	<ol style="list-style-type: none"> <li>1. Advocate transparency</li> <li>2. Clear allocation and prioritization in the utilization of housing funds</li> </ol>	LGU Local Housing Board Urban Poor
Lack of leadership and organizational capability/ technical know how (Grasp of technical requirements & processes by non technical people)	<ol style="list-style-type: none"> <li>1. Conduct orientation to all members of the association (MUST)</li> <li>2. Conduct training to all officers</li> <li>3. Continue giving technical guidance</li> <li>4. Mentor &amp; Monitor associations</li> </ol>	LGU HUDCC SHFC HUDCC
Lack of transparency And accountability	<ol style="list-style-type: none"> <li>1. Adopt a monitoring tool</li> <li>2. Reactivate Housing Board</li> <li>3. Institutionalize the multi-sectoral approach in providing security of tenure to the homeless families. This approach is getting the involvement of the stakeholders. Through their collaborative efforts, the acquisition process will be simplified and shortened. The role of each stakeholder is defined and a new system will be established subject to regular review, evaluation and revision, if needed. It is further proposed that the orientation on values, gender and development, environmental and health issues shall be incorporated.</li> </ol>	

Further, it is strongly recommended that the LGU will reactivate the Local Housing Board and do the following:

- Come up with criteria and guidelines on subsidy system
- Update Local Shelter Plan
- Revive land-banking program
- Allocate annual budget for housing and set prioritization
- Adopt transparency and accountability in all housing projects
- Consider medium-rise residential buildings to optimize land utilization



Provision of housing is a complex process because it involves land, environment, health, infrastructure, utilities, facilities, financing and most especially it is about meeting one of man's basic needs, security.

To address housing needs, collaboration of and among the government, the private sector, the non-government organizations, and the people themselves is necessary.

## References:

- Republic Act 7279 otherwise known as the Urban Development & Housing Act, December 1992  
Republic Act 7160 (Local Government Code of the Philippines, 1991)  
National Urban Development & Housing Framework 1996-2004  
Census on Housing and Population 2000, National Statistics Office  
Census on Population 2007, National Statistics Office  
Websites of the following Offices:  
HUDCC ([www.hudcc.gov.ph](http://www.hudcc.gov.ph))  
NHA ([www.nha.gov.ph](http://www.nha.gov.ph))  
HLURB ([www.hlurb.gov.ph](http://www.hlurb.gov.ph))  
NHMFC ([www.nhmfc.gov.ph](http://www.nhmfc.gov.ph))  
HDMF ([www.pagbig.gov.ph](http://www.pagbig.gov.ph))  
SHFC ([www.shfc.gov.ph](http://www.shfc.gov.ph))  
HGC ([www.hc.gov.ph](http://www.hc.gov.ph))  
Consolidated Housing Accomplishment Report 2000-2009, HUDCC  
City Shelter Plan of Cagayan de Oro, 1996  
Medium Term Regional Development Plan 2004-2010