

Determining Affordable and Liveable Homes for Quezon City, Philippines

Sustainable Housing Design for the Low Income, a Pilot Project



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Introduction

This paper presents the housing situation in the Philippines and the many factors that affect the housing production for the socialized and the low-income sectors, with focus on the housing needs of Quezon City. It is the biggest city within Metro Manila in terms of land area and the biggest number of informal settlers needing housing assistance from the government. It is the intention of this paper to present some possible housing solutions from the point of view of the local government as part of the over-all urban development of the City. The paper also shows what the role of the City Architect should be and how proposed solutions can be arrived at.

1 Shelter Situation Analysis

1.1 Basic General Data

Geography and Administration

The Philippines is in the south-east coast of Asia and sprawls between Asia mainland **and** Australia between latitude 21°25'N and 4°23'N and longitude

116°E and 127°E. Its capital city is Manila which is part of the so-called Metropolitan Manila, comprising of 17 cities and one (1) municipality. The Philippines has a total land area of approximately 300,000 sq. km. (115,830 sq. miles) and comprises 7,107 islands, some 4,000 of which are named and 1,000 are inhabited. The Philippine Archipelago is one of the largest island groups in the world. It is divided into three major island groups, namely: Luzon, 150,212.8 sq. km.; Visayas, 59,817.9 sq. km.; and Mindanao, 128,624.2 sq. km. Its terrain is diverse owing to its numerous high mountains and/or volcanic landforms and extensive valleys and plateaus interspersed with many rivers and lakes. The climate is tropical with a normal average year-round temperature of 27°C (82°F). Two pronounced seasons --- dry and wet.

The Philippines is a democratic country with a presidential form of government. There are three branches of government, the executive, legislative and the judiciary. The present government under President Benigno S. Aquino III, had directed that there must be good governance, transparency and accountability in his administration. As such, a review of existing policies in addressing the needs of the poor were undertaken, one of which is the review on the policy on housing. Civil society had been given a very important role in the sense that government programs and their corresponding budgets must now be presented to them not only for their information but for their approval as well. This new development is currently being studied so that the same will not hamper the delivery of services, but rather become a feedback mechanism for government agencies. Both the Department of Interior and Local Government and the Housing and Urban Development Coordinating Council are heavily involved in the formulation of the new housing policies and programs, towards the direction of more participation from the communities.

Demography and Health

Based on the National Statistics Office Report, “For 2007, Filipino families consisting of five members should be earning a combined monthly income of PhP 6,195 in order to meet their most basic food and non-food needs for this year. A sole breadwinner in a five-member family residing at the National Capital Region (NCR) is expected to find a difficult task in bringing the entire family above the

poverty line if he/she only earns at most PhP 265 per day.” Latest statistics released by the NSCB last 6 June 2006 indicates that approximately 24 out of 100 Pinoy families did not earn enough in 2003 to satisfy their basic food and non-food requirements. This was a slight improvement from the 2000 situation wherein 28 out of 100 families experienced income shortfall from the poverty threshold. The decrease by 3.1 percent in poverty incidence translated to a corresponding decrease by around 124,000 in the number of Pinoy families straining to make ends meet. Annual per capita poverty threshold for the Philippines in 2003 stood at P12, 309. In terms of population, 30 out of 100 Filipinos in 2003 had income short of the minimum cost of satisfying the basic requirements, an improvement from 2000 in which 33 out of 100 Filipinos had income below the poverty threshold. This translated to a 1.6 million decrease in the magnitude of Filipinos living below the poverty line.

Economy

The gross domestic product grew by 5.4% in 2006 from 5% in 2005, while the Gross National Product registered a 6.2% growth from 5.6% in 2005, which was largely due to the 15.4% growth in the net factor income from abroad, mostly in the form of dollar remittances of Overseas Filipino Workers (OFWs). The real estate industry is found to be very sensitive to economic conditions such that when it is perceived to have improved, property upswing is seen. In the last three years, real estate development has grown dramatically within the metropolis as well as in the southern part of the country. Interest rates have been considerably lowered especially for the socialized housing sector, the lowest at 6% per annum with a prolonged repayment period up to a period of 30 years.

1.2 Shelter Related Fact and Figures

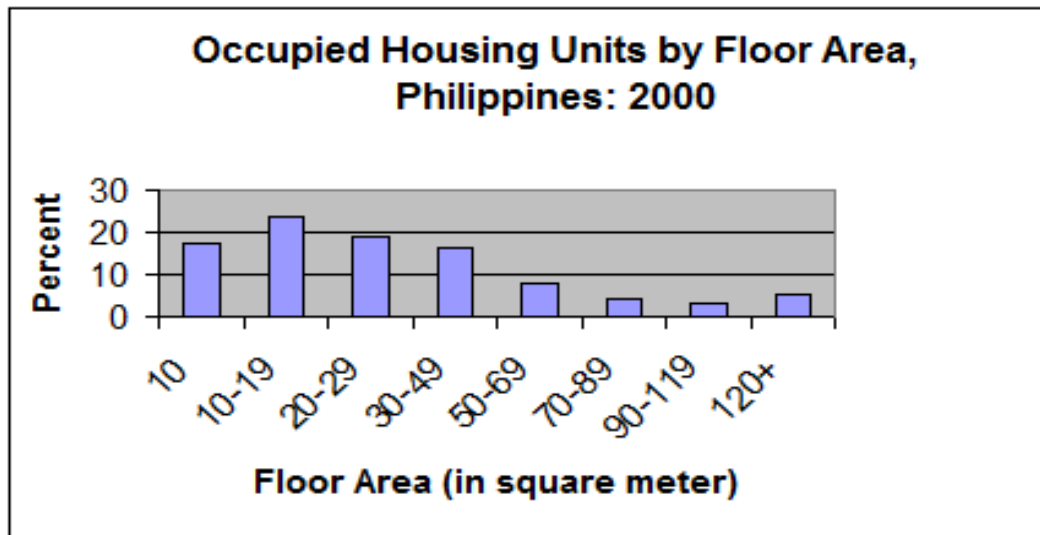
Access to Shelter

Housing stock and Occupancy

The housing stocking in the Philippines is very much like those of any other tropical country in the south-eastern region such as Malaysia, Indonesia and Thailand. Housing materials are made of concrete and reinforced steel, wood, glass and galvanized roofing sheets. Although there are many available building

materials and technologies, concrete hollow blocks still remain the most popular construction material mostly for the low income because of the relative ease by which these are installed and their affordability to the users.

Floor area per person based on 2000 NSO Figures



- Of the total occupied housing units, 23.45% had a floor area ranging from 10 to 19 square meters.
- 17.52% had less than 10 square meters and 16.56% from 30-49 square meters.
- The proportion of housing units with a floor area from 90-119 was 3.21%.
- Occupied housing units had a median floor area of 29.63 square meters.
- The largest percentage of families in the lowest 40% income stratum were living in housing units with a floor area of 10 to 29 sq. meters (41.7%)

Housing standard

The National Building Code of the Philippines serves as the basic reference in the planning and design for medium to high end type of housing development, while for the Low and Low/Middle type, the BP-220 (Batas Pambansa Blg.220) serve as the guidelines for the housing design standards. However, there is a need to review the design standards to make housing deliveries more responsive to the needs of the clients, particularly the socialized and the low-income.

Tenure of households

Occupied housing units showed that 71.12 % of the total housing stock is either owned or amortized, with 10.1% being rented, others being used with consent of owners, while others are unreported.

Ownership/ (formal and informal)

House and lot ownership can be verified from the Register of Deeds of the Department of Justice which takes care of the issuances of the Transfer Certificates of Titles. Statistical information however on the estimated number of informal settler families may be obtained from the following agencies such as the local government units or LGU's through the Assessor's Office and the Registrar's Office, the National Housing Authority, the Housing and Urban Coordinating Council, and even the Presidential Commission for the Urban Poor.

Based on NSO 2007 figures informal settlers in the country number to 551,771 households, 36% or 199,398 households are found in NCR. City/Province with most number of informal settler households are in Quezon City at 91,090. (Almost 50% of NCR). However, based on NHA figures for the same period, informal settlers in NCR are estimated at 544,609. The disparity in the figures is on account of the variance on the definition of informal settlers by the NSO and NHA.

In 2009, the NSO and HUDCC through their joint effort established the Development of Shelter and Monitoring System, to determine the number of households living within the poverty threshold and the number of informal settlers including their housing preferences and affordability. The joint undertaking also reconciled the definition of terms used in housing.

Housing Policy

The Philippine Constitution provides that it is the basic right of a person to have decent shelter and it is the duty of the government to provide so. It is also the policy of the government to provide shelter to the marginalized sector and the low-income group, while the private sector takes care of the middle to high end market. Republic Act 7279 or the Urban Development and Housing Act of 1992 further elucidated the policies of the government in housing deliveries enumerating therein the roles and responsibilities of the key shelter agencies as well as incentives for the private sector who shall participate in the housing

program of the government. It also defined the many financing schemes available for those needing access to housing services.

Actors in Shelter Delivery and their Roles

The government housing sector includes seven (7) agencies as follows: The Housing and Urban Development Coordinating Council (HUDCC) as the policy and program coordinating body for housing and urban development. The HUDCC ensures the implementation of the National Shelter Program. The National Housing Authority (NHA) as the government arm for housing production with programs servicing primarily the needs of the urban poor (the informal sector) to include the Resettlement and Slum Upgrading Programs. The Social Housing Finance Corporation (SHFC) is in charge of the implementation of the Community Mortgage Program. The Home Development Mutual Fund (HDMF or the Pag-IBIG Fund) provides end-user financing to individual borrowers and loans and other forms of financial assistance to housing developers. Under HDMF's revised charter, 70% of its investible funds are mandated to be allocated for housing. The National Home Mortgage Finance Corporation (NHMFC) is the government home mortgage institution in charge of the development of a secondary mortgage market. The Home Guaranty Corporation (HGC) provides guaranty cover for housing loans to reduce risks associated with housing loan transactions. The Housing and Land Use Regulatory Board (HLURB) is the regulatory agency for housing and urban development. Other government financial institutions are involved in end-user financing. For the period, 2005 - 2010, government has allocated ₱18.983 billion for the Resettlement, Community Mortgage and the Proclamation Programs. Also, for the period 2001 to the first quarter of 2010, a total of ₱178.470 billion has been made available for home financing by Pag-IBIG Fund. This covered some 375,058 housing units. Following are the current loanable amounts and interest rates of the Pag-IBIG

Table: Fund with a 30-year repayment period:

Loan Amount	Interest Rate
Up to ₱450,000 (US \$ 8,696)	6%
₱400,000 to ₱750,000 (US \$8,696 – US \$16,304)	7%
> ₱750,000 to ₱1 M (US \$16,304 – US \$21,739)	8.5%
> ₱1M to ₱1.25 M (US \$21,739 – US \$27,174)	9.5%
> ₱1.25 M to ₱2 M (US \$27,174 – US \$43,478)	10.5%
> ₱2M to ₱3M (US \$43,478 – US \$65,217)	11.5%
Current Exchange Rate: US \$1 = ₱46.00	

1.4 Shelter Design

The recent changes made on Batas Pambansa 220 by the HLURB defining the smallest house for a socialized housing unit from 20 square meters to 18 square meters floor area and the reduction of the 32 square meter minimum lot size to 28 square meters had further downgraded the quality of housing for the poor. A story was told that in one of the resettlement sites of NHA, the members of a relocatee- family were left standing after having transferred all their belongings inside the 20 square meter house. This only proves that the 20 square meter house is inadequate for a family of 5. At the same time that the minimum areas prescribed were reduced, developers clamoured for the increase of the loanable amount for socialized housing to Php 400,000.00 (US8, 695.00) from the previous Php 300,000.00 (US 6,521.00)

Due to the smallness of the housing units and the lot sizes, many social problems have cropped up such as crimes of incest, the lack of privacy and safety, the lack of adequate storage for their household equipment and furniture, and the lack of a quality environment. (NHA FGD on Gender, 2010)

Based on the NHA experience in Southville 3, NBP, Muntinlupa, people have settled in their new homes quite well considering their previous living conditions along the railways. NHA planners however felt that the uniformity of the lot sizes without consideration of the livelihood aspect in terms of the provision of additional space for their home-based income generating activities were not given proper attention. The uniformity of the housing design did not also consider the different income levels of the project beneficiaries resulting to a “one model fits all” syndrome. However, the community facilities provided in the NBP site were

found to be adequate for the residents, due to the planning aspect and also as a result of the cooperation of the other government and non-government agencies.

As to the models provided by the HURA of the Quezon City government, the sizes of the medium rise units are also patterned after BP 220. However, what distinguishes the projects of the Quezon City government from that of NHA's resettlement sites is that the City's projects are located within the city center, which do not create economic dislocation among the beneficiaries.

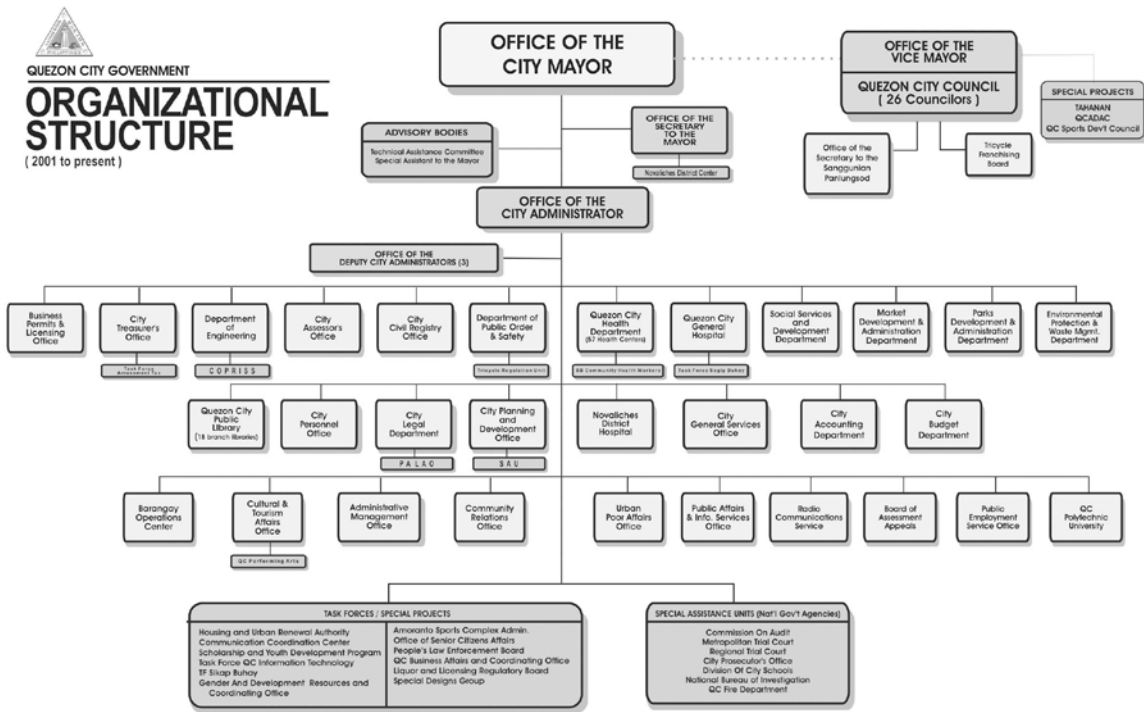
Shelter cannot be disassociated from the concept of what a quality community should be. Quezon City has defined quality community as having the following characteristics : dynamic, with efficient road transport and communications, healthy, through adequate health and medical services and healthy living conditions; safe and secure, peaceful, orderly, and with affordable housing; productive, with commerce and industry, livelihood and employment opportunities; and a thriving tourism; nurturing and caring, through its education and cultural heritage, and social welfare and protection; environment friendly, with good solid waste management, parks and open spaces and protection of rivers; well-governed, through an effective development administration and comprehensive Barangay development.

2 Organisation

Quezon City as the biggest city in Metro Manila, having a land area of 160 square kilometres, approximately one fourth of the total land area (of Metro Manila) with a population of 2.80 Million, makes it a city with many opportunities for growth and development. It is strategically located in the heart of the metropolis, with the widest interconnected road network. What Quezon City is now is mainly due to the efforts and programs of then Mayor Feliciano Belmonte Jr., who had introduced many fiscal reforms that led to the growth of the city in terms of infrastructure and social development including housing. He was supported by the City Council as the legislative arm of the local government under the leadership of then Vice Mayor Herbert Bautista (now currently the City Mayor) by passing local ordinances to carry out the many programs and projects. There are some 30 executive offices under the direct supervision of the City Administrator who was basically responsible for the implementation of the various development programs

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of the City. Below is the organizational chart of the City Government of Quezon City.



During the administration of Mayor Belmonte, the Housing and Urban Renewal Authority (HURA) was established. HURA constructed several medium rise buildings on properties within the city which catered to the housing needs primarily of low salaried- government employees. It was also during this term that the City Architect was given the opportunity to design several major projects such as the Quezon Memorial Circle, Pedestrians and sidewalks, schools, health centers, day care centers, sports centers, police headquarters and even the District Hospital in the northern part of the City. As mentioned earlier, the UP Technohub Center was also constructed and became operational that offered many job opportunities such as call centers and business outsourcing offices.

3 Shelter Problem

Quezon City has the most number of informal settlers within Metro Manila, with some 234,104 households living in danger areas such as esteros, waterways, pipelines and transmission lines. The informal settlers represent at least 41% of the total population of the City. While Quezon City has become the hub of call

centers and business outsourcing, the City has to face the attendant problem of housing which is an enormous concern of the present administration under Mayor Herbert Bautista. As the City Architect of Quezon City, I had been tasked to assist in the formulation of the Shelter Plan that will primarily address the housing needs of the informal settlers, without forgetting the housing needs of the other market sectors. With the limited initial budget allocated for housing, it is important that the same be used most judiciously and creatively in order to come up with a suitable housing solution. HURA has proven that local governments can construct and undertake its own housing projects with less assistance from the national agencies.

For the Quezon City Government, housing policy under the present administration focuses on the disaster risk reduction and adoption of the green building design. Current collaboration works include the signing of the Memorandum of Understanding with the My Shelter Foundation headed by Mr. Illac Diaz, a non-government organization, the United Architects of the Philippines and the San Miguel Corporation, with the main objective of coming up with a viable housing solution against the elements such as typhoons and earthquakes. The MOU is a direct result of the events that happened after Typhoon “Ondoy” which affected the whole of Metro Manila, including Quezon City. An international design competition was undertaken that resulted to the participation of 113 competitors/professional planners and architects all over the world in response to the challenges posed by climate change and global warming.

The winning design shall be used in the implementation of the housing project in a site owned by the Quezon City government. It is also envisioned that the designs may ultimately be adopted in other housing sites for the low-income. However the designs presented still has to be validated given the local conditions and also the cost of constructing them vis-a-vis the affordability of the target market.

Proposal for Change and Improvement

The proposal shall focus on how a more creative housing solution that matches the affordability of the intended beneficiaries can be arrived at through the following measures :

- the formulation of the Shelter Plan through the co-optation and cooperation of all the stakeholders involved such as the different planning offices within the city government and the target clients themselves;
- secondly to come up with a criteria for housing development that should include a design and technology based shelter that will be both low-cost and cost efficient to meet affordability ;
- thirdly, the implementation strategy to be adopted encouraging private and public partnership to maximize government resources.

Although HURA has been acting as the major proponent of all housing developments in the city, it is envisioned that should there be collaboration among the major stakeholders; the housing program of the city could still improve. It is also envisioned that the Office of the City Architect will play a major role in this undertaking.

The Proposed Framework Plan

In order to fully address the issue on affordable housing, a framework plan should be established by the City Government. This would enable planners and implementers to zero in on the most basic question of how affordable housing can be formulated thereby providing for a more responsive program. I am therefore proposing this framework to become the basis of the City's planning for housing development with the participation of major if not all stakeholders. I further propose that the National Housing Authority be invited to render technical assistance in the formulation of the framework plan under their capability building program for the LGUs. Below are the details:

- Comprehensive Housing Information
The City Planning Office , the Urban Poor Affairs Office , HURA and the City Architect's Office should get together to put up the database of all

related documents on housing and infrastructure of the City and take stock of available resources within their control. Although the first step is very much local, the City could benefit from advice from the national key shelter agencies led by HUDCC and from its neighbor, the National Housing Authority. A comprehensive appreciation of facts will be very helpful to the planners so that it is not only the production side that is considered but the more difficult part of estate management and collection. This will help in the sustainability of the program because this is where many local governments failed on account of the misconception that it is only an infrastructure project and not a social development program.

- **Housing Need**

The City should now focus on its own housing need based on the studies conducted and determine the priorities to be undertaken. Socialized housing for government employees under the HURA administration should be expanded to include the housing needs of the informal settlers particularly along danger areas. Criteria for housing development must be established by the City to equitably distribute its resources at a given time.

- **Housing Supply**

An assessment of the housing supply provided for by the City over the years should be made and should take into account the following factors : number of households served over the total need, the quality of housing, both on the neighborhood and household levels, the status of existing accounts and the responsibility of beneficiaries towards their new homes in terms of monthly amortization payments and their participation in the Homeowners Association activities, and care for their new environment.

- **Housing Gap**

The results of the two studies would now show the areas where the City had been good at and also where the possible deficiencies lie. The City can be guided more efficiently by formulating results based monitoring and evaluation system based on the gaps that had been identified. The system

maybe integrated in the functions of the HURA as the over-all in charge of the housing program of the City, to be assisted by the City Architect's Office.

- **Housing Target**

Based on the approved criteria for housing development, the three departments must now establish the housing target of the City. This will help in the judicious use of resources and it will further define the target clients at a given time.

- **Affordable and Livable Housing**

“The Architect creates man's environment through his awareness and sensitive handling of spaces that fit the scale of human experience. The resulting quality of the form envelope manifested as a structure or building gives rise to man's appreciation of beauty and order in his physical world.”

“ The Architects” deliberation determine how people will be placed in relationship to one another, how whole societies will work, play, eat, sleep, recreate, travel, worship, or in short, how people will live in consonance with their culture and national aspirations.” (Architects National Code, UAP Doc 200). The job of the architect is to design according to what the client wants and needs based on the standard principles of design. It is however doubly difficult, more challenging to provide such services to the low income or marginalized sector. As the City Architect, it is my goal to improve the quality of the living environment of the low-income for Quezon City.

Design Evaluation: As a first step, a study of the plans already made and the projects that were completed will be inspected and evaluated. This is to determine if plans had complied with the provisions of the different laws and ordinances. It will be studied also if different housing models or typologies have been adapted in answer to different client needs.

Cost and Affordability Evaluation: Income profiles of the target clients will be evaluated and analyzed to see if the cost or selling prices match with their affordability levels, in terms of the monthly amortizations as well as their aggregate family incomes. The result of the evaluation can be compared with the findings of the NHA, HUDCC and the National Statistics Board, to validate both findings. UPAO and the City Planning Office can help in this undertaking.

Economic Feasibility: A study on whether the project had achieved its intended rate of return shall also be made to ascertain if the program is sustainable. The Finance Department of the City maybe tapped to assist in this endeavor.

Design Translation: The very challenging task now is on how to provide for a more responsive housing design that will take into consideration the basic planning principles on livability together with the affordability levels of the target client. Another major aspect that should be considered would be the effects of climate change and global warming on human settlements and at the same time how they will not become contributors to the very same effects that are being avoided, as a consequence of development.

Over the years, many service providers in housing such as the national key shelter agencies, non-government agencies such as Gawad Kalinga and Habitat for Humanity have taken many different yet similar routes toward this end of providing affordable and livable homes. The City could very well learn from their experiences. It is however in not just meeting the minimum requirements of every law that would satisfy the needs of our communities. Our family or household size expands to the extent that even distant relatives from the provinces stay with us during holidays and even let their children who go to college stay with those in the cities. Based on Section 806 of the National Building Code of the Philippines, the minimum area per person for a livable room should at least be 6 square meters. Given the average size of 5 persons per household, the units should at least

be 30 square meters. However BP 220 provides that the minimum unit area is only 18 square meters. As part of the formulation of new housing designs, the City may now undertake a pilot project considering the many findings of the study based on the approved framework and to reconcile and translate them into actual plans and projects. With the help and support of the other departments and more so by the City Mayor, and the participation of the private sector and the communities, the road to a better and responsive delivery of housing services for the low-income may well be on its way, for Quezon City.

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