

HOUSING for the poor

The SANPASADA Experience

Philippine Center for Population and Development
Davao Association of Colleges and Universities



Preface

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Housing in SANPASADA is a collaborative research project of the Local Government Units (LGU) of the Municipality of Sta. Cruz (SAN), City of Panabo (PA), the Island Garden City of Samal (SA), and Davao City (DA) and the Association of Colleges and Universities (DACUN) with the support of the Philippine Center for Population and Development.

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Families in growing towns and cities are often faced with a choice of giving up comfort for a roof on their heads. This situation is not strange to us as we see communities of houses packed side by side, with just alleys and wooden bridges as means of access.

Because of the opportunities in urban areas, migration is inevitable and housing demands by the poor outstrip LGU resources. This is compounded by incessant conflict situations in neighboring provinces, sending families who dream of peace to seek the security of the more peaceful, consequently more prosperous towns. That urban land prices where livelihood opportunities abound are more expensive and beyond the means of the poor force them to find shelter in inner city areas where even the most basic sanitary facilities are already a luxury.

This situation prevails in the urban cluster of Santa Cruz in Davao del Sur, the Island Garden City of Samal (IGaCoS) and Panabo City in Davao del Norte, and Davao City or SANPASADA.

Today, 30 percent of the households in SANPASADA live in informal and illegal settlements. Many live in danger areas – the seaside, along rivers and creeks, and in already congested neighborhoods.

Work opportunities and availability of basic services are the major criterion in homesite selection for the poorest. With their limited skills, work in an urban setting means manual labor, which can be had near ports, industrial areas, and commercial centers, areas where land prices are highest. With no means to purchase lots and homes of their own in these high-value lands, families make do with what they can afford – the illegal shanties and rooms inside these shanties on land they cannot own.

A stumbling block in measuring how vast the problem of informal settlers is in SANPASADA is the lack of data that can provide information on future policy changes. Basic statistics on localities and shelter programs are generally unrelated, not well monitored and do not give a tangible picture of the problem at hand. Existing shelter programs are partial and unlinked, many miss their targets, and there are few responsive initiatives for providing today's and tomorrow's demands.

All this taken together has created a housing demand and backlog that continue to increase way beyond the LGUs' financial and policy-based capabilities.

This study thus strives to gather measurable data and significant facts on the basic needs required by the informal settlers that can provide doable policies and solutions and sow concern and corresponding contributions among a wider community through improved information dissemination. It investigates the status of the housing sector of each LGU in the context of: a) socio-demographic issues, b) socialized housing laws and regulations, c) security of tenure, d) finance and affordability, e) housing market, and f) physical stock in a bid to get a good grip of what has already been perceived as a growing problem but which has not yet been molded in comprehensible terms.

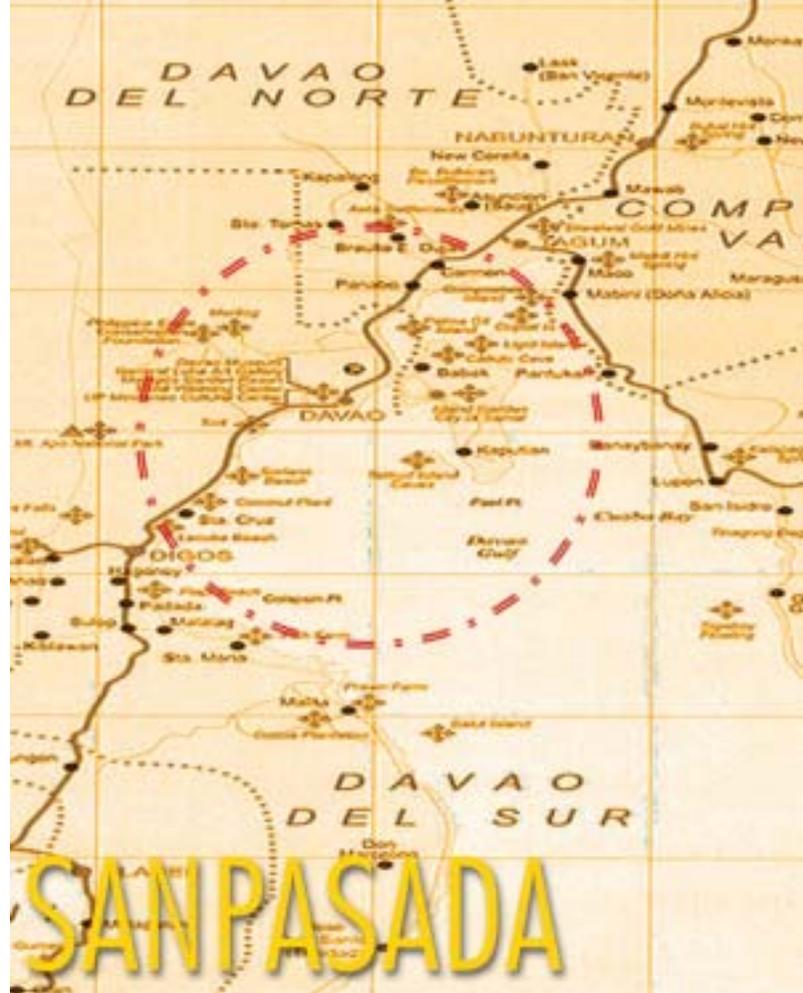
SHELTER is a basic need that becomes more and more difficult to provide especially for local government units (LGUs) that are faced with burgeoning populations made more complex by the influx of people seeking better opportunities in urban areas. Thus we see shanties along coastal barangays regularly buffeted by monsoon waves, homes built so close to each other such that whole communities become fire hazards, shacks that host more than one family each, the residents of which are faced with eviction with no assurance of relocation where livelihood opportunities are within reach.

RAPID urbanization and growth when not adequately managed causes unforeseen demands for services resulting to resource depletion, environmental degradation, and social ills. A logical assessment of the state of housing in SANPASADA must thus begin with a demographic perusal of the study areas analyzing the current practices on housing delivery complemented by perceptions of the stakeholders on these practices.

Sta. Cruz, Panabo City, Island Garden City of Samal (IGaCos) and Davao City of SANPASADA is in the Southern Mindanao Region or Region 11.

Davao City is bounded on the north by Panabo City, on the south by the municipality of Davao del Sur and is just a ten-minute ferry ride west of the IGaCoS. It is the administrative center of Region 11.

Except for the IGaCoS, which is surrounded by the Davao Gulf on all sides, Sta. Cruz, Panabo and Davao City are bounded by the gulf on the east. All four LGUs share the resources of the gulf, have similar housing delivery experiences and issues, and have the potential of becoming a metropolis.

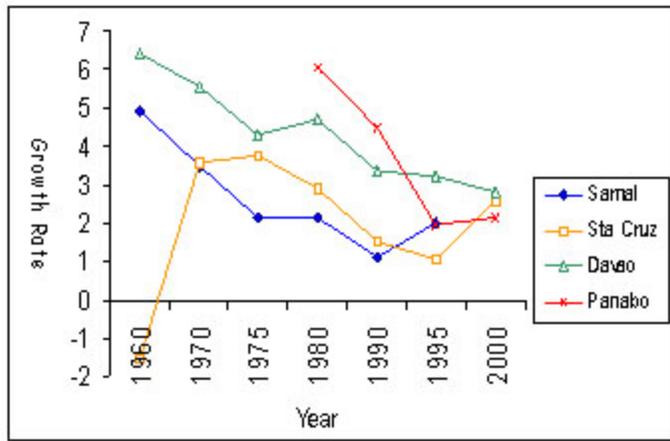


Quick facts and figures

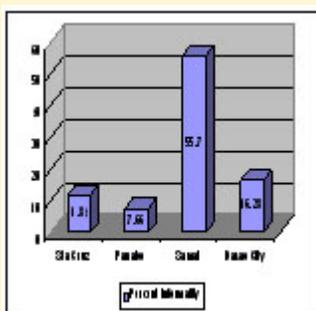
Indicators	Sta Cruz	Panabo	Samal	Davao
Total population	67,317	133,950	82,609	1,147,116
Population density (persons/sq.km.)	241	533	277	470
Annual average growth rate	2.6	2.12	2.02	2.83
Percent share of urban population (1995)	34	50.03	20	71
Percent share of urban population (2000)	33	55.52	22	76
No. of Households	13,881	27,225	17,368	240,057
Estimated annual percentage of migrants of the household population in 2000	0.028	0.124	0.028	0.573
Natural increase (2000)	1.14	1.19	2.5 ¹	1.94
Average household size	4.85	4.53	4.75	4.77
Percentage of children (ages d"14)	39	36.72	38.38	34.89
Percentage of adults (ages 15-64)	57	60.36	57.43	62.01
Percentage of adults (65 and older)	3.0	2.92	4.19	3.10
Percentage Male	51.44	50.96	51.49	49.97
Percentage Female	48.56	49.04	48.51	50.03
Labor force participation rate	59.71	60.36	58.96	62.01
Male-female ratio in agriculture	8 : 1	6 : 1	9 : 1	7 : 1
Male-female ratio in industry	8 : 1	8 : 1	9 : 1	7 : 1
Male-female ratio in services	1 : 1	2 : 1	1 : 1	2 : 1
% of Informal Settlers (HHs)	11.84	4.0	55.70	16.28
Percentage of barangays w/ Informal Settlers	67	22.50	100	37.22
Percentage of Informal Urban Settlers	41.70	85	100	41.78
Poverty Incidence (%)	13.4	52.95	90.44	9.21

Source: National Statistics Office, Region XI

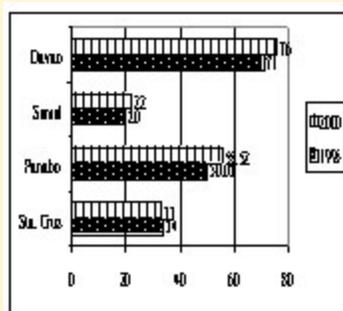
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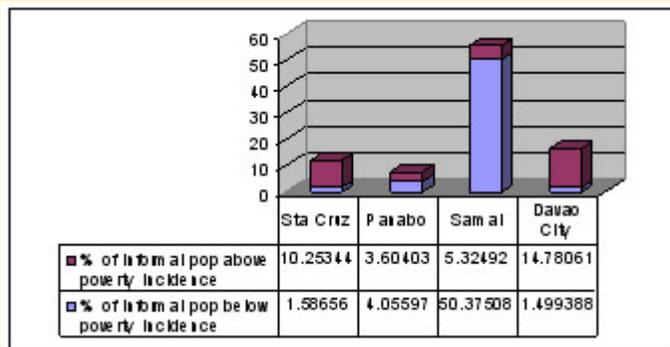
Growth Rates of SANPASADA



Informality is highest in developing urban centers



Except in Sta. Cruz, migration is towards urban areas



Davao City is not just the economic center of the region, it is also the biggest in terms of land area at 2,440 square kilometers, which is almost three times the total land area of the three other LGUs under study. It also has three-quarters more than the combined population of the three others at 1,147,116 or a population density of 470 per square kilometer.

In comparison, Panabo City has a higher population density of 533 per square kilometer with a total population of 133,950 in its 251.23 square kilometer land area.

The municipality of Sta. Cruz has a total population of 67,317 and a total land area of 334.74 square kilometers or a population density of 241 per square kilometer. While the IGaCoS has a total population of 82,609 and a land area of 298.09 square kilometers or a population density of 227 per square kilometer.

Population continues to grow in these four areas, with migration spurring natural increase (live births minus deaths).

The annual average growth rate of Davao (2.83) and Sta. Cruz (2.60) are higher compared to that of Panabo (2.12) and Samal (2.02) with the natural increase ranging from 1-2.5 percent of the population in 2000.

In year 2000, the working group age in SANPASADA dominated the population comprising 57-62%, while children below 14 years of age made up 35-39% of the population. The male population exceeds their female counterparts in Panabo, Sta. Cruz, and Samal by 2-3% while the male-female population of Davao City was almost equal.

In all areas, males dominated the agriculture and industry sectors among the economically active groups, while females are more inclined to the services sector.

A census of households by previous place of residence showed the tendency to seek better opportunities in the more urbanized cities with 0.573% of the household population having moved in to Davao City followed by Panabo City with 0.124%, and 0.028% for both Samal and Sta. Cruz.

Population movements toward the urban areas are indicated by the shift in the increase in population to urban areas of Panabo, Samal, and Davao.

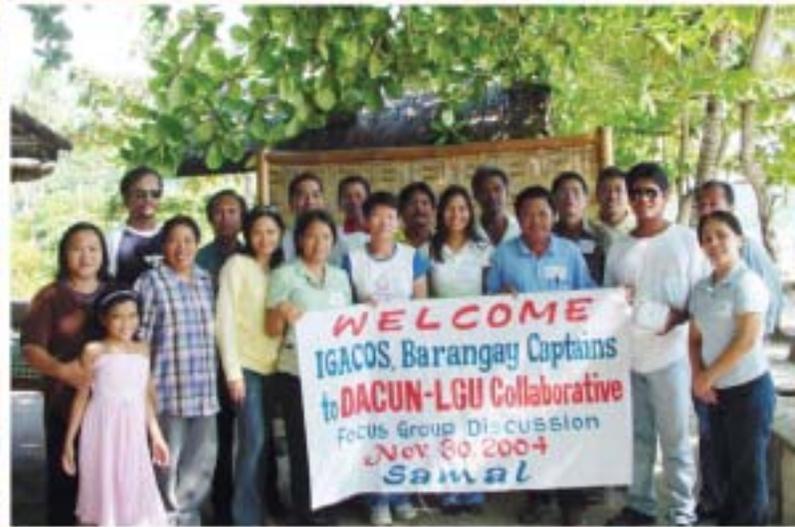
These figures and trends are backed up by the labor force participation in the four areas with Davao City having the highest with 62.01% of the population, followed by Panabo with 60.36, Sta. Cruz with 59.71% and Samal with 58.96%.

Informal settlers occupying private lots, blighted areas, and government-owned lands are highest in Samal with 55.70% and least in Panabo with 4.0%. Informal settlers in Davao comprise 16.28% of the total households and 11.84% in Sta. Cruz.

All barangays in the IGaCoS have informal settlers, all of whom are living in urban areas. Informal settlers in Sta. Cruz are in 67% of the barangays of which 41.70% are in urban settlements, 37.22% in Davao where 41.78% of these are in urban areas, and 22.50% of the barangays in Panabo have informal settlers with 85 percent in urban land, illustrating the preference of informal settlers to locate in urban areas where means of livelihood abound.

Poverty incidence in 2000 is highest in IGaCoS at 90.44%. Panabo has 53.95%, Sta. Cruz 13.4%, and Davao 9.21%. Comparing the number of households with incomes below poverty line to the number of informal households, it shows that all informal settlers in Sta. Cruz, Panabo, and IGaCos live below the poverty line while 58% of the informal settlers in Davao City are in dire poverty.

All these data supports the observation that there is an increasing number of informal settlers moving into urban areas where they live in poverty and have no assurance of owning the land they have set up their shacks in.



Collaboration: THE FIRST STEP

As a participatory research, this study used the quantitative (culled from secondary data collection) and the qualitative (from focus group discussion [FGD] and key information interview) methods.

Thirty focus groups were gathered from selected communities, national housing agencies, non-government organizations, landowners, and urban poor organizations. Key information of existing policies, programs, and projects on housing for the urban poor was provided by 22 local chief executives, administrators, and representatives of local and national housing agencies.

The focus groups identified the major issues as perceived by the participants. These were presented in a symposium and reduced to just 28. Further statistical analyses determined the differences in the perceptions of the participants on all the identified issues and clustered these according to the housing indicators used in this study. The LGUs ranked these issues by their degree of severity and picked out three most urgent issues from which they formulated doable strategies and actions.

All throughout, stakeholders were involved during the key stages of the research investigation and a series of presentations served as venues for more inputs and validation of the information by all those involved.



The 28 were categorized into four indicators. These are: 1) Socio-demographic issues, 2) Socialized housing regulations, 3) Housing market, and 4) Finance and affordability. The 28 issues raised are thus clustered as follows:

Socio-Demographic Issues

- Cycle of squatting and selling of lots awarded to the beneficiaries
- Distance of the relocation area from the source of livelihood
- Inadequate basic services in relocation sites
- Lack of livelihood opportunities
- Population increase due to lack of birth control
- Increasing number of informal settlers
- Lack of cooperation from the informal settlers
- Internal conflicts within community organizations
- Poor sanitation and hygiene in the community/households
- Presence of illegal electrical connections

Socialized Housing Laws and Regulations

- Housing for the poor is not a priority of the government
- Absence of an agency that will focus on the implementation of housing programs
- No proper coordination of housing agencies on permits, licenses and loans
- Lack of understanding of the UDHA by the LGU and concerned sectors
- No shelter plan
- Absent or inactive housing board
- Inadequate information campaign on housing loans and programs
- Inadequate relocation sites or no lots for housing needs
- Delayed implementation of GMP due to the restructuring of NHMFC
- Poor implementation of the Urban Development and Housing Act (UDHA)
- No apprehension of violators (curfew violations, gambling, etc)
- Awarding of homelots to unqualified beneficiaries

Housing Market

- Voluminous processing requirements for loan applications
- Inadequate loan grants for housing (limited loan ceiling)

Finance and Affordability

- Inadequate income of the residents/settlers
- Unaffordability of the cost of homelot to the urban poor
- Limited affordable housing for rent
- Limited affordability level of the beneficiary/borrower

THE consensus groups identified 28 issues, the top three of which were: a) increasing number of informal settlers, b) lack of livelihood and employment opportunities, and c) inadequate income of residents/settlers.

Using One-Way Analysis of Variance (ANOVA), 27 of 28 issues had p-values greater than 0.05 at a level of significance of 0.05. This simply means that the respondents' share similar experiences and perceptions on housing issues and that a common solution applies to SANPASADA.

The only issue that was significantly different among the study areas was the absence of a local housing board confirming the LGUs' expressed need to create or activate their local housing boards.



Socio-demographic concerns

URBAN migration matched with natural increase in population, lack of reproductive health education and access among the informal settlers result to their increasing numbers. Some do not see the need to manage the size of their families, others are too engrossed in their daily hand-to-mouth existence, such that they do not have time to visit their barangay health centers.

Lack of political will of LGUs to address the squatting and migration problem further spur the growth of informal settlements.

While indeed contraceptive prevalence rate in Southern Mindanao exceeds the national rate by 11% as revealed by the Family Planning Survey in 2001, there is a continuous decrease in those who practice family planning since 1999.

Barangay surveys show that population and household densities in slums are higher than the city's average, with settlements mushrooming along the shore, in government and private lands, and in danger zones mostly near livelihood centers.

As many as one to two families with ten or more children comprise one household with room densities of less than 3.5 square meters per occupant in these inner city settlements. These overcrowded households increase risk of disease transmission, disturbed behavior, teenage marriage, and other social ills.

Adding to the pressure of having to respond to the current backlog in providing shelter to this sector, the young population in the 2000 survey that comprised 35-39% (population rate of children below 14) is now growing older and will need employment, services and shelter in the next 20 years as they will be forming new families.

The cycle of rapid population growth and lack of basic social services and livable space among the informal settlers branches out to deterioration of living conditions and increased risks of health-related problems, safety, environmental and social issues, thereby making the complex problem of shelter for the poor even more complex

Yet it is in these communities where the city derives cheap labor.

Easy access to existing livelihood is important especially for the informal settlers. For them, it is easy to lose a job but very

hard to get a new one, thus tenure of a workplace is more important than tenure of a dwelling [1], for as long as the dwelling is close to where work opportunities are.

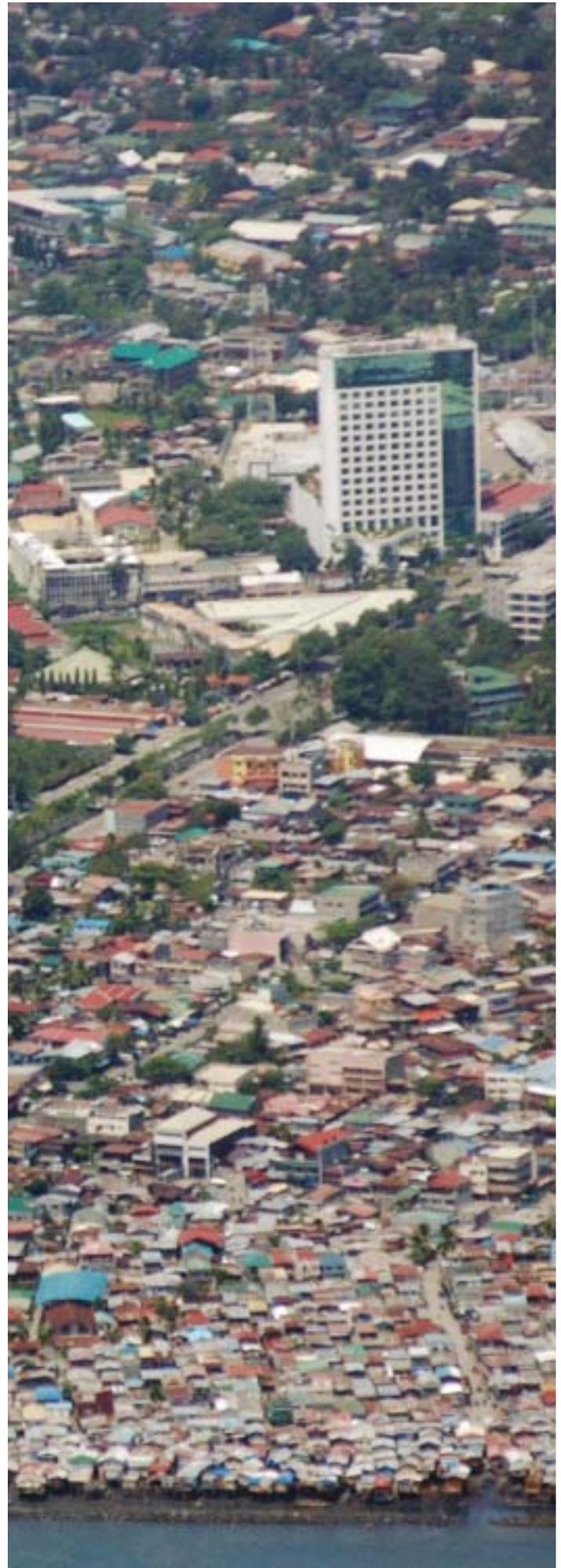
A cheap lot ten kilometers away from livelihood, facilities, and services become very expensive and thus becomes unaffordable to a people who can barely set aside money for minimum fare daily. There is need then to retain the existing communities of affordable housing in these inner city settlements for as long as possible, thus on-site upgrading is most preferred in addressing this problem. When relocation is the only recourse, the site must be near livelihood locations and opportunities for education or vocational training. After all, several relocation attempts have failed where basic services like water, power, sanitary facilities and health services are not available. Those who cannot afford service connections thus sell their rights to the lot and go back to squatting where the services and livelihood are available. In the long run, the problem is not really solved and the scarce government resources used for the relocation site go to waste and those who ultimately benefit from these are those who can afford to buy in – the poor ones back in blighted inner city dwellings and the former site for slum relocation becomes a middle class area [2].

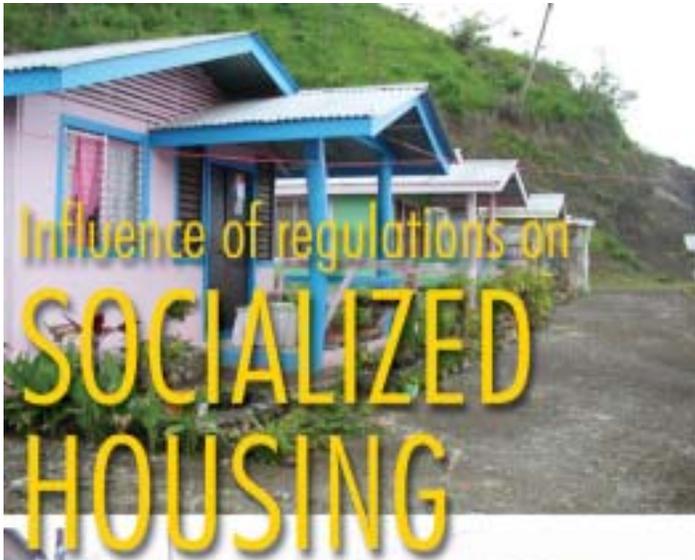
Despite the long record of failures of urban poor settlements to really benefit the poor, homelot ownership remains the thrust of most housing programs apparently blind to the sector in the informal settlers who have very limited or zero affordability. There is need to appreciate and understand the financial conditions of the informal sectors to come up with the most appropriate housing package for them.

Relocation should be the last resort and should be done in consultation with the residents to ensure that travel and other new costs are affordable. “Residents” here include renters and sharers, comprising around 30% of the community.

Imposed groupings, like the organizations required of the urban poor benefit from the government community mortgage program disregard the bonds that have formed in community living creating breeding grounds for internal conflict between officers and members. Thus, the short span of time it takes for these organizations to be formed, some even taking shortcuts to hasten access to the program benefits, makes it easy to be subverted by the more influential.

There is a working support mechanism, however, that is already a given in informal settlements. Community living, no matter how poor, develops support networks among its residents where they stand together to defend their existence. These should not be destroyed. Instead, these should be supported with policies that help the residents develop their potentials and become responsible for their development and the environment.





ALL four LGUs have their own Comprehensive Development Plan (CDP) and Comprehensive Land Use Plan (CLUP) developed in the late 1990s, except for IGaCoS, which just became a component city of Davao del Norte in 1998. Despite its being a young city, however, Samal went one over the three others as it already passed its own Local Housing Code in 2004 to address the problems of urban housing while the three other LGUs are still exploring the feasibility of having their own comprehensive urban development programs.

IGaCoS' Housing Code covers the different urban development and housing needs of a local government. The Code also provides for a local shelter plan and its implementing mechanisms and the creation of the local housing board and the local housing office, which is the main implementer of the shelter plan under the Urban Development and Housing Act of 1992 (UDHA, Republic Act 7279).

The UDHA gives to the LGUs the power to implement social housing programs and projects. It lays down the procedures on how to evict, demolish and resettle informal settlers. But a decade and a half since UDHA became a law LGUs still have not implemented most of its basic responsibilities as mandated in the act.

Varied reasons cropped up for this, among others are lack of political will, capability, and financial resources to implement the Act. Of note, however, is the lack of knowledge and understanding on how the Act works that was made apparent during the capability building workshops. After all, among the essential features of successful housing delivery mechanisms are enabling structures, management systems, community participation, and sufficiency of knowledge on housing programs (LGSP, 2003). In the capability building workshops, it appears that there is no common idea as to which agency promotes and monitors housing programs and projects under UDHA.

The lack of understanding of the UDHA by both providers and program beneficiaries has also caused conflicts within organizations and misunderstanding between LGUs and the informal settlers.

Urban poor organizations created to access loans through the Community Mortgage Program (CMP), one of the implementing programs of the UDHA that enables the low income to take out housing loans, have in several instances been wracked by controversies in SANPASADA where organization officers fail to remit the payments made by individual members. To ensure collection efficiency, members are sometimes encour-

COMPARISON OF NEEDS AND PROVISIONS

Aspects	Need / Preferences	Provision	Analysis
Price	Affordable: P50.00 to P75.00 per month	Sta. Cruz: 300.00 to 530.00 Panabo : 100.00 to 291.00 Samal : 75.00 to 200.00 Davao : 50.00 to 500.00	Beyond the financial capacity of the urban poor
Product			
a. Ownership	Full title	Full title	- Lead to downraiding over provision (lot size) - Hoarding
b. Lot size BP 220: 18 sqm	At least 70 sq. m.	70 – 200 sq. m.	- Over provision
Place/location	On-site location	On-site ownership – larger lot size than economic housing	- disorganized living condition - limited number of beneficiaries are accommodated - limited public services
	Close to livelihood (shoreline, riverbanks)	Relocation sites outside the urban center	- far from livelihood opportunities - leads to squatting cycle- leads to downraiding

aged by financing institutions to break away from the organization and pay on their own through individualized titling, which somehow leads the informal settlers back to the cycle of inaccessible and unaffordable individual land ownership and negating the very essence of CMP, which works on the premise that the poor can be less of a credit risk when they act as a community.

There are attempts by the LGUs to design their own housing solutions, except for Sta. Cruz. Davao City first came up with its shelter plan in 1998, while Samal and Panabo came up with their in 2002. These shelter plans analyze the local housing situations, local affordability, and resources and enumerates the different local strategies to combat the housing problem. The LGUs, however, cannot make a significant dent in the increasing housing demand because of limited funds.

Housing delivery to be sustained should be matched with efficient amortization collection, but the poor finds the cost of relocation already unaffordable much more the amortization cost. The cost of securing building permits and the standards set for residential structures add to the cost of transfer.

Moreso, although housing in on the 10-Point Agenda of the Arroyo Administration, the housing sector has not received budget allocation to implement the National Shelter Program (NSP), thus it is not surprising that the urban poor believe that housing for the poor is not really a government priority.

Lost in the mass of incomprehensible if not barely understood provisions in UDHA is the provision (Section 34) that gives the LGUs the responsibility to promote in coordination with the HUDCCC, NHA, the Technology Livelihood Resource Center (TLRC), the Department of Science and Technology and other concerned agencies the production and use of indigenous, alternative and low-cost construction materials and technolo-

gies for socialized housing [3]. Participants of the FGDs do not know of any such promotion, not even of production of low-cost housing materials.

The type of construction the rural folk are accustomed to, the *bahay kubo*, will not pass specifications of the Building Code, locational clearance required under Presidential Decree 957 [4] has delayed implementation of some relocation projects, even the processing of loans under the CMP takes time due to numerous documentary requirements, bureaucracy. And the insufficient funds of urban poor organizations.

The Housing and Urban Development Coordinating Council (HUDCC) is the main coordinating body for socialized housing provision but there is not one agency responsible for making the system work. Clearly, existing regulations are inhibiting delivery of shelter for the informal sectors mainly because these regulations are not custom-fit to their needs and capabilities. Some laws have become inappropriate in meeting the housing demands of the urban poor.

A review of existing policies is needed for possible amendments to allow the varying paces of actual housing delivery, the affordability levels of the LGUs and the beneficiaries, and housing market. There has to be a separate policy for socialized housing that will encourage alternative solutions such as transition housing, self-help, and incremental housing delivery systems.

In the paper “A Generic Solution for the Slums”, which appeared in the December 203 of the Habitat Debate Journal, noted that “slum dwellers could literally build their way out of poverty if supported by correct policies. The secret is to remove the artificial ceiling that caps their talents and energy [5].” What the urban poor and the LGUs have today are the artificial ceilings set by existing laws.



WHILE all socialized housing programs opt for freehold or titling, there is actually a wide range of available strategies for security of tenure wherein titling is but the highest level. (Fig. 1)

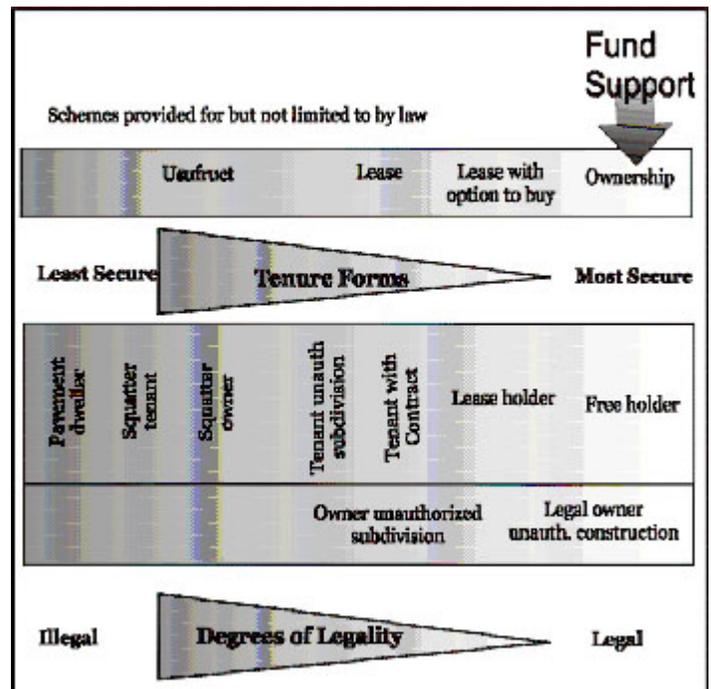


Figure 1. Tenure Forms and Degrees of Illegality

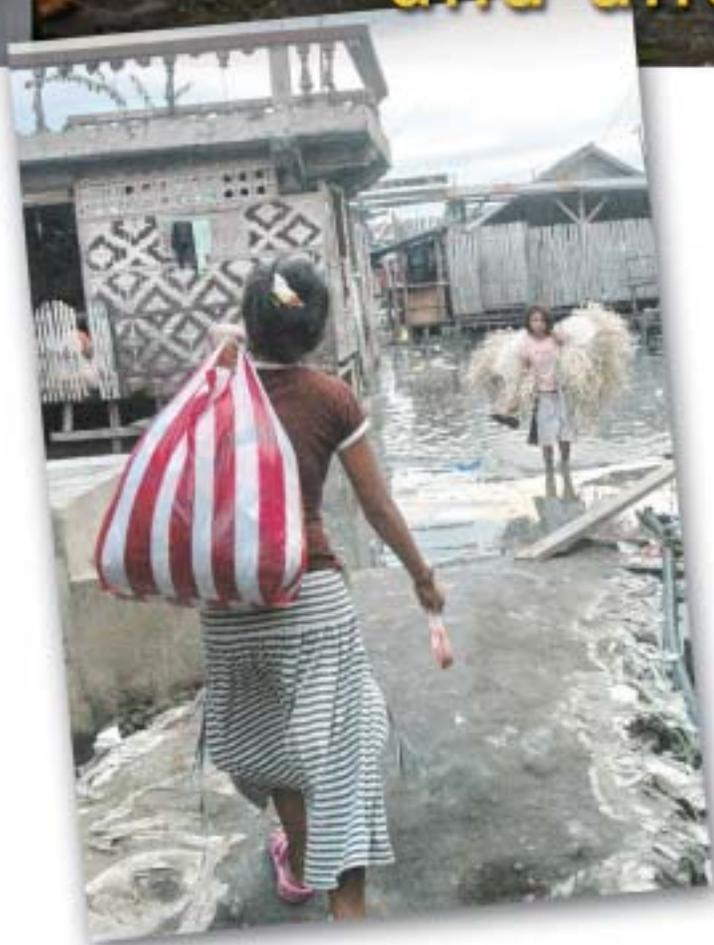
Governments then should not tolerate perception that the ultimate end of tenurial security for all is homeownership [6] as skipping other forms of tenure between the illegal to full property rights imposes on the government the burden of providing titles to the urban poor. Thus, with its limited resources, LGUs can only sit helplessly, unable to procure and distribute the demands of the informal settlers who can barely afford to pay monthly amortizations for their land titles. This is what is happening in SANPASADA while the demand for housing in these LGUs continues to rise and housing backlogs are piling up.

Census on tenure types suggests that there are fewer renters than illegal occupants and that there is a closer margin between illegality and ownership (31%-52%) than between rental and ownership (54%-72%). This suggests leasehold as a viable alternative.

The United Nations Habitat (UN-Habitat) recommends local leases for mass housing delivery for the poor over freehold as local leases favors both the provider and the end-users being cheaper and more flexible.



FINANCE and affordability issues



AFFORDABILITY, according to focus groups, refers to the financial capacity of the informal settlers to acquire a homelot. But, with some informal settlers willing to pay P50-P75 a month to own a lot only a small percentage of the marginalized sector can afford a plot with title even if it were subsidized [8]. While poor collection efficiency make it difficult for LGUs to prioritize their housing programs.

In Sta. Cruz, around 1.8 to 3.8% of the budget for economic and infrastructure development for 2002-2005 is allocated for its housing program. Barely 3.85 hectares were thus acquired benefiting only 268 households. Informal settlers that are still waiting for relocation is estimated at 988 households.

For IGaCoS the housing budget is from 0.42-2.11% of its Internal Revenue Allotment (IRA). The ballooning cost of land in the island city further decimated this small amount thus only 125 households benefited from the housing program and 9,129 households are still hoping to be accommodated in future housing programs of the government.

LGU Provision for Socialized Housing

City/Municipality	Sta. Cruz	Panabo	IGaCos	Davao
Budget as % of IRA	1.8-3.8%	.06-4.73%	0.42-2.11	N/A
Qualified Beneficiaries	1,643	1,064	9,674	35,313
Beneficiaries Served				
CMP	655	911	420	1,986
LGU	0	296	125	8,647
Beneficiaries Unserved	988	143	9,129	24,680
Collection Efficiency	27.3	60.0	1.6	57.0

Composition of Family Expenditure

Expenditure Group and Area	Under	20,000-	30,000-	40,000-
	20,000	29,999	39,999	49,999
50,000-				
% of Expenses				
Food	68.3	67.7	63.1	61.8
Food N.E.C.	4.7	4.0	4.2	4.0
Food regularly consumed outside the home	0.6	0.9	1.4	1.1
Sub-total	73.6	72.6	68.7	66.9
Alcoholic beverages.	1.4	1.0	1.5	1.3
Tobacco	1.2	1.5	1.8	1.9
fuel, light and water	5.0	5.4	5.7	5.3
transportation & communication	1.7	2.6	2.7	2.1
household operations	2.1	2.2	2.1	2.2
personal care & effects	1.9	2.5	2.9	2.8
clothing, footwear & other wear	3.0	2.0	1.8	2.2
Education	1.3	0.5	1.5	3.3
Sub-total	14.0	15.0	17.1	18.3
Recreation	0.1	0.2	0.2	0.2
medical care	0.4	1.0	2.5	1.0
non-durable furnishings	0.4	0.4	0.5	0.4
Durable furniture & equipment	0.1		0.4	1.7
rent/rental	5.8	4.3	5.8	6.1
house maintenance	0.3	1.6	0.7	0.6
taxes paid	0.1	0.3	0.1	0.4
Miscellaneous	4.5	3.8	2.9	3.4
other expenses.	3.4	3.2	3.2	3.0
Total	105.3	104.9	105.4	105.2
				105.5

Incomes less than P60,000 a year are insufficient to support household needs as expenses exceed income. An AC Nielsen survey reveals that 80% of the income is spent on food alone.



Funds for socialized housing program in Panabo City ranges from 0.06-4.73% of the IRA. For the last seven years, the LGU allocated a total of P4M for land acquisition benefiting a total of 296 households and with still at least 2,142 households targeted to be accommodated.

Only Davao City takes out bank loans to finance its socialized housing program, having allotted P100M from a loan from the Development Bank of the Philippines for housing services in 2005. Under the Urban Land Reform Program alone, Davao City has already granted an aggregate amount of around P120M to various urban poor associations since 1994.

To date, at least 8,647 households have benefited from the local housing program of the city with at least 28,845 households waiting to be relocated. These estimates are based on the registration of potential socialized housing beneficiaries conducted in 1994.

Despite the capacity of the local government to generate large funds, poor collection hinders them from sustaining the housing program. Forty-three percent of the associations failed to pay the amortization and 39% failed to update their remittances to the LGU.

Collection efficiency of the other LGUs is also unsatisfactory. Sta. Cruz only has a 27.3% collection rate, 1.6% for IGaCoS, and 60% for Panabo.

The ballooning cost of land in the city forces the LGUs to go into land banking, bringing with it deleterious consequences that do not answer the present needs.

On the side of the target beneficiaries the table on composition of family expenditures on the following page shows that potential participants must earn 5% more than his present income to be able to pay amortization. They also have to give up several items in their family expenditures, two of which are alcohol and tobacco – vices that are addictive and thus difficult to give up. House maintenance is also an expense even within a relocation site. The expenditures also does not take into consideration the cost of dislocation, and the transportation cost to job site, school, market, and other necessary destinations.

During the FGDs, the informal settlers idea of lot sizes are as big as 200 square meters. This unrealistic clamor has been identified as one of the reasons for failed negotiations between landowners and urban poor organizations. Moreso, common practices in socialized housing programs suggest that housing for the poor is usually defined according to middle-class perceptions and not on the lower income groups for which they are intended [9].

All these taken into consideration, illustrates a need to consider not just the end-users' financial status but also the current capacity of the LGUs to deliver housing when designing housing programs for the informal settlers.



THAT there is dire lack of housing units is seen by the ratio of occupied housing units as against the number of households, which at 1.02 to 1.05 show that there are more households than housing stock.

Using another measure for housing stock, room density, reinforces this fact. Households of five in SANPASADA occupy as little as 20 square meters as families scrimp on utility costs by fitting in as many as they can into one dwelling unit.

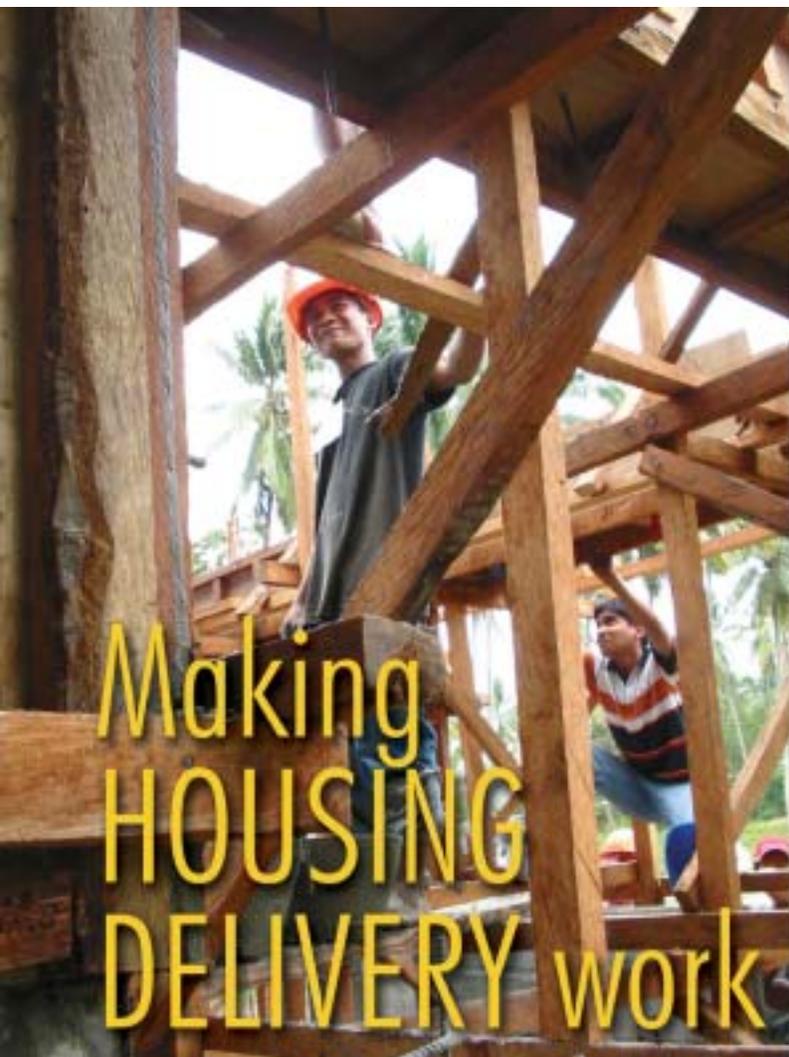
Housing under physical stock includes the provision of land and structure. But past records show that government has not been too successful in meeting the shelter and service related needs of the urban poor, although in some cases, succeeded in providing land for resettlement.

This is further aggravated by the minimal private investments poured into socialized housing as against economic housing. In Davao City, socialized housing only accounted for 12.78% as against 51.42% for economic housing. It is higher in Panabo with 42.95% for socialized housing as against 57.05% for economic housing. While both IGaCoS and Sta. Cruz have no private subdivisions as of 2003.

Government land valuation policies also increase land prices limiting the LGUs' capability to acquire lots, FGD participants said. Adding to this handicap is insufficient LGU budget for housing programs. It was further learned during the FGDs that urban poor organizations that managed to strike up negotiations for land acquisition from private owners have been bogged down by the organization members' clamor for big lot sizes, sometimes as big as 200 square meters; way above the minimum lot size for economic housing of 64 square meters as stipulated in Batas Pambansa Blg. 220 and Presidential Decree No. 957 (National Building Code), which only require 40% more than the minimum required in BP220 [10]. Faced with such demands, it is not unthinkable for landowners to prefer to invest on their land for other purposes, further making land acquisition costly.

Affordable rental housing, which could have subsumed the gap between complete ownership and illegal settlements, are also not readily available and so migrants just set up residences in danger zones like along riverbanks, slopes, and right of way near possible livelihood sources.

The lack, if not absence, of private investments in socialized housing projects, limited budget for housing by LGUs, unaffordable housing programs for the poor, and lack of affordable rental housing amid an increasing migration toward urban centers all contribute to an ever-growing population of illegal settlers.



ALL factors taken, it is apparent that housing for the lower income is not just about building and providing shelter, but is also a population and development issue that require a multi-pronged approach from a wide base of tenure forms. Any solution must consider alleviating the roots of migration from rural to urban locations and must also break the link between poverty and housing.

While indeed the poor do tend to crowd the urban areas, they are also the ones providing the manpower in industrial and commercial zones. They cannot be taken away from the very existence of business and commerce which thrive in the urban areas and government has to recognize this. Thus, it is incumbent upon the government not just to explore means to provide a more equitable delivery of housing and basic services, but also tackle delivery of reproductive health services, sanitation, and other support services hand in hand with a focus on environmental conservation to enable the poor to become responsible for their own welfare and development.

Solutions must thus not just focus on the need for structures but on how to manage the population growth as well otherwise the cycle of poverty will continue to churn more and more illegal settlers in need of security of tenure for their shelter, and basic services, that cash-strapped LGUs can ill afford to give. The vast possibilities that can be explored through transition housing should also be considered, after all, when the poor are empowered through provision of livelihood opportunities, basic services, proper education, and population management, they will not forever be dependent on government and can improve their lot such that they may even be able to afford to buy their own homes in the future, without much government subsidy. Land acquisition must be for those with steady incomes rather than those who cannot afford to keep the land so as to prevent a cycle of squatting.

A lot can be learned from the approaches to security of tenure applied in other developing countries like the Certificate of Rights in Botswana, the Temporary Occupation Licensees and Community Land Trusts in Kenya, the temporary land rentals in Thailand, and the 'Antirecto' tenure system in Bolivia. All these offer transition housing, providing needed shelter to the poor while empowering them to do better so they can take care of their own future.

There is more to security of tenure than just owning a lot, but prevailing government programs and policies are stuck in this mindset. Thus, fresh outlook linking policy to perception is necessary for any set of responses to overtake present needs and meet future demands.

That there has been no significant difference in the perceptions of the respondents on the issues gathered during the various discussions shows that the four LGUs share common experiences and sentiments. This further means that a common solution may be applied.

Taken in this light, the LGUs recommend the creation of an action plan that will answer the issues impeding the poor from having a decent shelter.

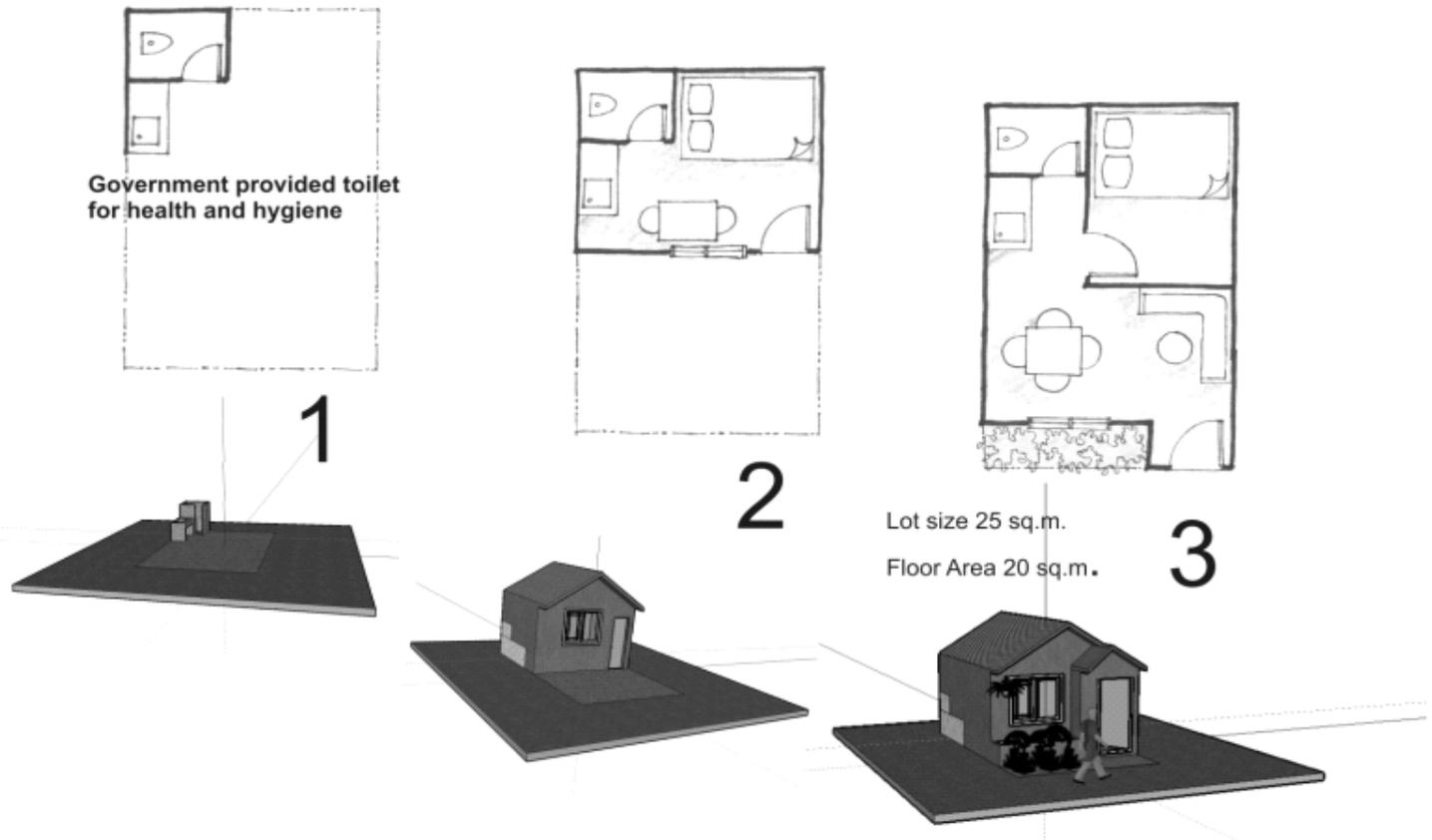
This plan hopes to meet the following objectives: a) to reduce, if not, eradicate informal settlements, b) to increase livelihood opportunities and income of the settlers, c) to regulate the migration of informal settlers and to provide abode for the said settlers, d) to open/provide productive activities, improvement of economic conditions, e) to augment the settlers' capability of addressing their daily needs, f) to increase access of the bottom 30% of the urban poor to affordable housing, g) to increase and strengthen access to information and education on reproductive and health rights and population management,

h) to increase access to livelihood and employment opportunities, i) to increase access to affordable and decent socialized housing, and j) to provide decent and sustainable source of income for settlers.

In turn, the study team recommends the following:

- 1) develop a database of the low income sector of SANPASADA;
- 2) reduce rural to urban migration by considering rural development programs;
- 3) integrate informal communities in the projects and programs of the Local Housing Board, in the Local Housing Office, and in the city planning and development programs;
- 4) revise policy to include renters in informal settlements as beneficiaries;
- 5) apply other tenurial instruments in addition to titling like rental and rights of occupancy;
- 6) provide appropriate livelihood component and basic services to all socialized housing programs and projects;
- 7) conduct risk assessment to prioritize relocation projects;
- 8) consider the Regulated Informal Community Housing (RICH), a transitional housing concept, as tandem to any socialized housing project, and;
- 9) conduct impact assessment studies following the utilization of this research. ■

Three Stages of Self-help Housing



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