

2014 YEAR END REPORT OF THE HOUSING SECTOR

As head of the Housing and Urban Development Coordinating Council, the Vice President has directed all key shelter agencies to continue their efforts to address the housing backlog. As of October 2014, the housing sector has already provided homes to 222,789 low-income families. This is 63% higher than its target of 136,859 families for the year 2014.

The breakdown of accomplishment is shown in the table below:

Table 1: Direct Housing Provision

Key Shelter Agencies	PDP Targets (2014) (a)		Accomplishments (Jan.-Oct. 2014) (b)		Percentage b/a*100	
	Units	Values (Billion)	Units	Values (Billion)	Units	Values (Billion)
NHA	63,331	10.988	162,912	27.133	257%	247%
SHFC	20,400	5.345	21,424	2.326	1.05%	44%
HDMF and Other GFIS	53,128	45.711	38,453	29.455*	72%	64%
Total	136,859	62.044	222,789	58.914	163%	95%

*As of September 2014

Rehabilitation Efforts in Areas Hit by Calamity

The spate of calamities that hit various parts of the country over the last four years has resulted in massive damage to homes, with 1,593,896 houses either totally or partially damaged. The breakdown follows:

Table 2. Number of Housing Units Damaged by Major Calamities

Calamities	Areas Hit	Totally Damaged	Partially Damaged	Total	For Resettlement/ Permanent Housing
Typhoon Sendong (Dec. 2011)	Cagayan de Oro, Iligan and Dumaguete	13,585	37,559	51,144	12,955
Typhoon Pablo (Dec. 2012)	Davao Oriental and Compostela Valley	89,666	127,151	216,817	17,480
Zamboanga Siege (Sept. 2013)					6,723
Bohol Earthquake (Oct. 2013)	Bohol and Cebu	14,480	57,405	71,885	HOMA

Typhoon Yolanda (Nov. 2013)	6 regions, 14 provinces, 175 cities/municipalities	550,928	589,504	1,140,332	205,128
Typhoon Agaton (Jan. 2014)		838	1,328	2,166	HOMA
Typhoon Glenda (June 2014)	Southern Luzon	27,874	83,498	111,372	HOMA
Total		697,371	896,445	1,593,816	242,286

Sources: NHA & NDRRMC, 2014

Among the most vulnerable sectors during times of calamity are the informal settler families, particularly those living along coastlines and major water tributaries.

The National Housing Authority provided permanent housing and housing materials assistance to 40,052 and 143,076 families, respectively, under its Emergency Housing Assistance Program for Calamity Victims, as shown below:

Table 3: Housing Assistance for Calamity Victims As of October 2014

Calamities	Permanent Housing Need (Resettlement)	Permanent Housing Provided	Housing Materials (HOMA)	Total
TOTAL	242,286	40,052	143,076	183,128
Typhoon Sendong	12,955	9,524	200	9,724
Typhoon Pablo	17,480	12,985	4,784	17,769
Typhoon Yolanda	205,128	1,595	38,920	40,515
Bohol Earthquake (HOMA)	-	-	38,801	38,801
Cebu Earthquake (HOMA)	-	-	456	456
Zamboanga Conflict	6,723	303	1,549	1,852
Other Calamities	-	4,974	-	4,974
-Fire victims		3,609	-	3,609
-Bicol Care		971	-	971
-Volcanic Eruption		394	-	394
Other Typhoons	-	10,671	58,366	69,037

Typhoon Yolanda, dubbed as the strongest typhoon to hit land, affected 205,128 families. The housing sector, as mandated by the Comprehensive Rehabilitation and Recovery Plan consolidated by the Office of the Presidential Adviser for Rehabilitation and Recovery (OPARR) and approved by the President, is tasked with providing these affected families with permanent housing by 2016.

The NHA has so far identified land for 160,000 (as of November 2014) to meet the housing requirement of Yolanda victims. The remaining 45,128 housing needs are in areas where there are no land titles, since almost entire municipalities are classified as forest lands. HUDCC and NHA are coordinating with the DENR in segregating the areas identified for resettlement, for issuance of any appropriate tenurial instrument.

The HUDCC also facilitated the drafting of a Joint Memorandum Circular entitled, "Adoption of Hazard Zone Classification in Areas Affected By Typhoon Yolanda (Haiyan) and Providing the Guidelines for Activity Therein", which was signed by concerned member agencies of the Resettlement Cluster, namely, DENR, DOST, DPWH, DILG and DND (OCD). The joint circular aims to guide LGUs in regulating activities in hazard-prone areas based on the multi-hazard maps, which include implementation of early warning systems and mitigating measures and relocation of families from identified high hazard zones.

In addition to the permanent housing projects of NHA for Yolanda victims, the Home Development Mutual Fund also undertook projects for its members in Yolanda-affected areas. As of October 2014, five ongoing projects are set to benefit more than 1,600 Pag-IBIG members and their families.

Pag-IBIG Fund also extended calamity loans to 95,359 members who were affected by Typhoon Yolanda, amounting to about P1.16 billion.

The Socialized Housing Finance Corporation has also undertaken four projects under the Community Mortgage Program (CMP) in Ormoc City which will benefit around 472 families affected by Typhoon Yolanda. A one-year moratorium on amortizations was also provided for all Yolanda-affected existing CMP communities.

SHFC has also partnered with UN Habitat in the implementation of pilot community-driven projects in 25 existing CMP project sites in Roxas City, Pan-ay, Capiz and Estancia, Iloilo which will benefit 610 families. To date, 72 houses have been completed and turned over to beneficiaries, and the balance shall be completed by March 2015.

Housing for Other Sectors

The AFP/PNP Housing Program, started in 2011 and intended for personnel of the Armed Forces of the Philippines (AFP), Philippine National Police (PNP), Bureau of Jail Management and Penology (BJMP) and Bureau of Fire Protection pursuant to Administrative Order No. 9 (S. 2011), is also well on its way.

From 2011 to October 2014, NHA completed the construction of 55,612 housing units nationwide with a corresponding investment of P11.809 billion.

Under Phase 1 of the program for soldiers and policemen in Metro Manila, a total of 24,298 units were constructed in the provinces of Bulacan, Rizal, Cavite and Laguna. Phases 2 and 2-A completed 30,567 units in other parts of the country, while Phase 3, with a target 20,000 units by end of 2014, just completed the construction of 747 units.

Table 5: AFP/PNP Housing
***As of October 2014**

Phase	Number of Housing Units Completed
Phase 1	24,298
Phase 2	30,567
Phase 3	747
TOTAL	55,612

A Memorandum of Understanding was also signed between Pag-IBIG Fund and the Kapisanan ng mga Brodkaster ng Pilipinas (KBP), aimed at providing broadcasters their own homes through the Home Matching Program.

Under the MOU, Pag-IBIG will provide KBP with available corporate-wide housing inventories on a regular basis, which will serve as ready inventories for KBP Member Network-employees.

Pag-IBIG will also provide housing loan counseling to prospective KBP Member Network-employee borrowers and assist in the initial housing loan documentation.

Likewise, it will approve housing loan applications of KBP Member Network-employees qualified under existing Pag-IBIG Fund policies and guidelines and enter into a Collection Servicing Agreement between Pag-IBIG Fund and KBP Member Networks for the collection of the monthly amortization and payment of loans of the beneficiaries.

It will also provide the KBP with other home financing schemes subject to the existing guidelines of Pag-IBIG Fund.

Pag-IBIG has also entered into similar agreements with other sectors such as transport groups, teachers, employers, and local government units.

The government is now also in the process of amending the implementing rules and regulations (IRR) on housing cooperatives to strengthen the implementation of cooperative housing programs in the country.

“We are now in the process of amending the IRR on housing cooperatives, wherein the key shelter agencies and government financial institutions are enjoined to craft common guidelines for the implementation of cooperative housing programs and to create special loan windows that will cater exclusively to housing cooperatives,” the Vice President said during the First Cooperative Housing Summit in Quezon City.

“This IRR will also mandate government agencies to provide technical assistance and capacity building to housing cooperatives, and will also provide for conflict resolution mechanisms,” he added.

Aside from amending the IRR, Binay said the housing sector is also taking “several compelling directions” to ensure the viability and sustainability of housing cooperatives.

“First, we have to ensure that the concept of cooperative housing is harmonized with our existing housing programs in the sector. It is important to have agreements to adapt the housing cooperatives as a viable method of producing shelter, especially since they are already organized and could be made more capable through the key shelter agencies’ projects and programs,” he said.

The Vice-President said that the housing agencies should also continue to make financing available to cooperatives through regular programs or through a special loan window.

“In addition, we shall find a way to make the processing of requirements less stringent and more efficient and make it easier for housing cooperatives to engage in housing programs especially for socialized housing,” the housing czar said.

Resettlement of ISFs Living Along Danger Zones in Metro Manila

In 2011, a P50 Billion Five-year Housing Program for the ISFs in Danger Areas in Metro Manila was approved by President Aquino to relocate the 104,000 ISFs living along major waterways and other danger areas in the metropolis.

The main implementers of the program are the NHA and SHFC. As of October 2014, the NHA has already completed the construction of 52,391 housing units.

Meanwhile, land acquired by community associations or by SHFC through its High Density Housing Program will benefit a total of 12,914 ISFs. Housing construction is ongoing for some of these projects while documentary requirements are being completed for the others.

Regional Resettlement Program for Local Governments

The Vice President, as a long-time local government official, believes that local governments are the nation's engine of growth. During his trips to the provinces, he always urges local leaders to complete their housing requirements which spur exponential growth.

Under the Regional Resettlement Program for LGUs, NHA extends assistance to LGUs in the development of resettlement sites in their respective localities. The LGU's primary contribution is land while the NHA provides funds amounting from P12 million to P24 million per project to cover the cost of land development and/or housing. LGUs recover project cost from beneficiaries and utilize proceeds either for project maintenance or for development of new resettlement sites.

From January to October 2014, NHA has assisted 164 LGUs in the development of resettlement sites consisting of 8,564 units.

Community Mortgage Program (CMP) for Organized ISF Communities

Meanwhile, in line with the thrust to expand the coverage of CMP to other urban and urbanizable areas in the country, a total of 122 projects benefitting 11,508 ISFs were implemented in 2014 - 3,832 in Metro Manila and 7,676 ISF-beneficiaries in other provinces/cities. This accomplishment is 82.20% of SHFC's target of 14,000 ISFs in 2014.

Furthermore, recognizing the need to ensure that CMP projects are located in sites that are suitable and safe for housing, the SHFC Board has directed the Management to:

- Utilize geo-hazard maps in determining whether the proposed housing site is prone to flooding, liquefaction, earthquake and storm surge, and come up with a possible Checklist of Minimum Tolerance Limits on critical areas, based on the geo-hazard maps of DENR, PHIVOLCs and DOST; and
- Secure a certification from the LGUs to the effect that the site is suitable for housing.

Comprehensive Land Use Plan

As a direct response to the policies spelled out under the Climate Change Act of 2009, the Housing and Land Use Regulatory Board (HLURB) entered into an agreement with German experts to systematically integrate the concept of climate change in various phases of policy and strategy formulation, as well as development planning. The agreement involves the integration of climate change adaptation and disaster risk reduction planning instruments into the Comprehensive Land Use Plans (CLUPs) of local governments.

This partnership has resulted in the approval of the following guidelines:

- Enhanced CLUP Guidelines Volume I: Process (Integration of Forest Land Use, Coastal/Marine, Spatial Planning, Heritage Planning and Conservation, Biodiversity and Climate Change Adaptation/Disaster Risk Reduction-CCA/DRR
- Volume II (Sector Studies)
- Volume III (Integrated Zoning Ordinance)

HLURB also entered into another partnership agreement with the United Nations Development Project (UNDP)-Climate Change Commission for the development of the Supplemental Guidelines on Mainstreaming Climate Change Adaptation and Disaster Risk reduction (CCA/DRR) in the CLUPs. These guidelines together with Volumes 1-3 provide a more detailed analysis for risk assessment and vulnerability and capacity assessment.

These guidelines are integrated in the CLUP Zero Backlog Program, in which HLURB provides technical assistance to LGUs in the formulation or updating of their CLUPs and Zoning Ordinances, through a cluster approach.

As of October 2014, out of the 1,635 LGUs all over the country, 1,456 LGUs have approved the CLUPs/Zoning Ordinance, of which 609 have updated

CLUPs/Zoning Ordinance as compared to 503 LGUs when the CLUP Zero Backlog Program started in 2011. The number of LGUs which have no CLUP has also decreased from 203 in 2011 to 179 in 2014.

Local Shelter Plan

Given the challenges faced by local governments to achieve risk resilience and manage rapid urbanization particularly in the area of shelter delivery, HUDCC, in partnership with UN-Habitat, pursued the development of the revised Local Shelter Planning Manual through the Achieving Sustainable Urban Development (ASUD) project. The revised manual would enable LGUs to keep up with new and emerging methodologies in housing. This manual aims to:

- Provide a step by step process to formulate a shelter plan that will address housing problems in the locality ensuring that housing supply is responsive to the demand;
- Enable the LGUs to plan and implement their specific mandates based on the Urban Development and Housing Act of 1992 (UDHA);
- Facilitate the linkage and coherence between the LGU's shelter plan and its Comprehensive Land Use Plan (CLUP) and Comprehensive Development Plan (CDP); and
- Ensure that the LGUs' shelter strategies and implementation plan would integrate and promote actions that address disaster risk and climate change resilience.

The HUDCC approved a resolution to extend technical assistance to LGUs along the 18 major river basins to enable them to pursue and formulate their respective local shelter plans, with a better understanding of disaster risk mitigation and climate change proofing. With updated land use and shelter plans, local governments are in a better position to determine and offer to developers the areas where housing projects should be established.

Out of the 1,634 cities and municipalities in the Philippines, HUDCC prioritized the following LGUs for assistance in LSP formulation: (1) LGUs within the 18 Major River Basins, (2) urban and urbanizing LGUs (or cities and 1st and 2nd class municipalities), and (3) LGUs within the 30 provinces exposed to multi-hazards, totaling 1,224 LGUs.

As of November 2014, out of the 547 LGUs within the 18 Major River Basins, 225 LGUs (41%) have draft LSPs.

In total, out of the 1,634 LGUs in the Philippines, 552 (34%) LGUs now have draft LSPs, of which 27 LGUs have approved LSPs.

Informal Settlements Upgrading

The National Informal Settlements Upgrading Strategy (NISUS), a project collaboration with the World Bank to guide the national government and local governments in effectively addressing the issue of informal settlers, was completed in July this year. The NISUS was prepared with the funding and technical support of the Cities Alliance and the World Bank

The shelter plan aims at ensuring that ISFs will have access to basic social services such as schools, public markets, health care centers, and livelihood opportunities at the resettlement areas. It also guarantees that resettled families will have decent homes that will nurture their hopes and affirm their dignity.

The NISUS is expected to help the national government, local governments, people's organizations, civil society groups, and private sector groups stop the proliferation of informal settlements and the further deepening of urban poverty in our cities. The NISUS will be implemented through a ten-year program consisting of the following components: (a) investment component to prepare and implement informal settlements upgrading and new towns through LGU stand alone or public-private-people-partnership projects; (b) urban renewal and housing finance and microfinance/community finance component; (c) policy and institutional reform component; and (d) capacity development component.

Improving Governance in the Housing Sector

The key shelter agencies, under the direction of the Vice President, have also adopted risk management programs to ensure their continued viability, such as Capital Adequacy Framework, Credit Scoring, other risk reports and the KSAs' respective Code of Good Governance and Code of Ethics.

The government housing corporations namely, Home Development Mutual Fund, National Home Mortgage Finance Corporation, Home Guaranty Corporation, National Housing Authority, and Socialized Housing Finance Corporation, have also formulated their respective Manuals of Corporate Governance and No Gift Policy which have been approved by their respective Governing Boards.

Pag-IBIG Fund, NHMFC, HGC and HLURB have also achieved ISO Certification. The certification is a recognition that the said agencies' processes comply with international standards of quality and excellence.

Vice President Binay also directed the HUDCC to push for the redefinition of socialized housing under Republic Act 7279 or the Urban Development and Housing Act (UDHA) to ensure the inclusion of vertical socialized housing. HUDCC also supported the creation of Local Housing Boards to provide the LGUs with more power, authority and responsibilities with regard to the provision of housing in their respective localities and provide the administrative machinery that can complement the efforts of shelter agencies to effect the full implementation of UDHA.

Globe Asiatique owner Delfin Lee, who was charged with syndicated estafa. This happened after an investigation, ordered by the Vice President, revealed that Lee had used fake documents and ghost borrowers to secure about P7 billion in loans from Pag-IBIG. Lee was apprehended by Task Force Tugis in March.

Vice-President Binay gave his assurance that such housing scams will no longer happen with the reforms Pag-IBIG has put in place.

The reforms that Pag-IBIG has instituted include the centralization of the approval of housing loan applications. The Fund will now have the final nod on all applications, taking the task from the developers.

Pag-IBIG is also piloting the use of fixed loan-to-value (LTV) ratio, the amount of the loan divided by the appraised value of the property. This allows borrowers to avail of a bigger loanable amount compared to what they could get using the old system.

The Fund is also seeking to improve the documentation of loan applications. To be implemented next year, the process will enable developers to do away with Contracts-to-Sell and Deeds of Assignment, and issue only the Deed of Absolute Sale.

The enhanced method will expedite the processing of housing loan applications, eliminate foreclosure proceedings, and save time and effort usually spent on such proceedings.

Under the Pag-IBIG reforms, new members may now apply for loans provided they were able to pay 24 months of lump-sum contribution.

Co-borrowers need not also be blood-related to the principal borrowers. Borrowers may also avail of "tacked loans," which means that at most three borrowers may combine their gross monthly incomes to qualify for a bigger loanable amount.

The Vice President also mentioned that should a member die, his/her family will get a P20,000 death benefit from insurance aside from the P6,000 death benefit from Pag-IBIG and the insurance equivalent to the value of his/her housing loan.