



Assessing the Compliance of Balanced Housing Policy in the Philippines: The Case of Davao City

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ABSTRACT

The Philippines have suffered continuing setbacks to provide a steady stream of supply of housing needs to the homeless urban poor. The reformist policy through the balanced housing principle of the Urban Development and Housing Act, has augured well as a strategy to cope with the socialized housing demand brought by rapid urbanization. This paper seeks to assess the implementation of the balanced housing policy by the State and the private sector, particularly in Davao city; explore the mechanisms used to ensure compliance including the modalities; and provides policy recommendation for the efficient implementation and compliance with the policy. A structured interview was afforded to 32 housing developers and extensive interview of key informants on the senior staff of city's Housing and Land Use Regulatory Unit, some members of the city legislative council, and the staff of the regional administrative office of the national government's Housing and Land Use Regulatory Board. Although there was compliance by the private sector, the developers have tweaked the policy resulting in a considerable loss of housing units in Davao City due to the policy's ambiguous application. The fragmented and the lack of collaboration between the city government and the Housing and Land Use Regulatory Board, have likewise caused a failure in the compliance and monitoring efforts, coupled with the city's lack of knowledge on the policy's implementing guidelines. Hence, the city government of Davao needs to approach the problem of growing urban homelessness with creativity and urgency to accelerate the production of socialized housing through the balanced housing development policy.

1. Introduction

1.1 General Statements

The persistent housing shortage in the Philippines is a tenacious problem especially in urban areas. The national government intervenes in various ways both in supply and demand and exerts a strong influence in the socialized housing market. Prior to 1992, the national government has the monopoly in the production of the housing requirement under the shelter framework of the country.

In the Philippines, one of the causes of urban poverty is the restricted access of lower income urban households to housing (Carino and Corpuz, 2009). Commonly called squatters, these informal settlers are

numerous in Metro Manila and major urban centers in the country. Carino and Corpuz (2009) cited the high urban population growth rate, the lack of urban space for detached housing units, inadequate government funds to meet housing backlog, and the inadequacy of government resources for housing as significant limitations affecting the government's shelter program. In addition to those cited is the prohibitive price of land in urban areas that fundamentally excludes the development of socialized housing.

The public housing reform in the Philippines began in 1992 through the Urban Development and Housing Act (UDHA) or Republic Act 7279 as a major component of the country's overall design for economic reform. It was viewed to alleviate the homelessness and legitimize the rights of the urban poor to housing (PHILSSA, 1998). UDHA was to

harness economic activity and establish mechanisms for a unified delivery of housing needs through the participation of the national and local government agencies and the private sector.

The Act has devolved some functions of the national to local government units (LGUs) on the implementation of socialized housing projects, where the cost of a house and lot package is US\$4,045.00 (US\$1.00 = P44.50) and below – a mass housing intended for the underprivileged and urban homeless households. LGUs identify locations for socialized housing and qualified urban poor beneficiaries in their respective territory. The private sector participates in the financing and construction leveraged with various tax and non-tax incentives extended by the local and central governments.

1.2 Urban Land Nexus Theory

The theoretical underpinning of this study is anchored on the urban land nexus theory developed by Serote (1992) which annexes the informal settlers as players in the built environment. A differentiation of public sector governance, dividing the State into national and the local government was distinctly featured; the former to devolve its powers and resources to the latter, while the latter intervenes in the private economic activities in the form of urban planning and management.

The symbiotic relationship between the private sector and the public sector creates an environment where both are mutually benefitted despite competing forces espousing different, if not conflicting interests (PHILSSA, 1998). The interface takes into account a complex phenomenon involving two major stakeholders and other participants. This phenomenon involves (a) private firms and households which develop, exchange and utilize urban space according to their own private motives and beneficial calculations, and (b) the State which provides an elaborate network of material infrastructure underpinning the general processes of production and reproduction in accordance with political calculations, including social costs and benefits. Accordingly, in this particular aspect of the urban land nexus theory, private actions take precedence over State intervention (Serote, 1992). The urban land nexus theory, despite negligible deviation, is certainly appropriate for the Philippine experience in housing. In this context, the private sector component in housing initiatives is the real estate and subdivision developers cum capitalists.

1.3 Framework of Compliance

Under UDHA, the State component includes the national government agencies such as the Housing and Urban Development Coordinating

Council (HUDCC), National Home Mortgage Finance Corporation (NHFMC), the Housing and Land Use Regulatory Board (HLURB), the National Housing Authority (NHA) and the LGUs which are responsible for the implementation and monitoring compliance with the balanced housing provision in the Act. Framework of compliance for balanced housing is shown in Figure 1.

1.4 Empowering the local government

Through UDHA, the national government has devolved key functions to LGUs by to enable cities and municipalities to be in the forefront providing housing market for the urban poor. The devolved key components of the low income shelter program are (a) on-site development through renewal, upgrading and improvement, (b) provision of new housing settlement that can be afforded particularly those who belong to low and middle income groups, and (c) development of financing mechanism that would ensure the continued production of low-cost and socialized housing requirement of the locality. The categorical involvement of LGUs in the shelter program requires them to strengthen or create an institutional framework to manage the local housing sector. They have to prepare and implement plans and strategies to provide shelter to homeless urban households and those who needed it.

As lead agency, the LGU has to establish a clear coordinative road-map which would facilitate the operational relationship between the national government agencies involved in the shelter framework such as the Housing and Urban Development Coordinating Council (HUDCC), the Housing and Land Use Regulatory Board (HLURB) and the National Housing Authority (NHA) in the development and planning for housing development.

The study of Buendia (1998) revealed that the State (national and local governments) and the private sector lacked the political will in enforcing and implementing the policy. For instance, Quezon City in the Philippines has not created an implementing mechanism which would be in charge in the evaluation and monitoring of the compliance with balanced housing policy. The absence of a comprehensive database and the lack of field evaluation of the proposed location for socialized housing, including the mode of compliance, were inadequate. The study further indicated that allowing the compliance projects to be undertaken in another LGU has made it even more difficult to monitor the 20% component devoted to socialized housing. Poor coordination or the lack of it typifies the relationship between the LGU and the HLURB. Buendia (1998) asserted that the overarching discourse on this problem is the lack of political will which has impeded the proper implementation of the policy on balanced housing development. Gross discrepancies and inconsistencies between LGU and HLURB records on evaluation and monitoring proved that these two government agencies have weak collaborative and coordinative system as well as communication linkage.

1.5 Private sector participation in the socialized housing market

The inadequacy of the government to finance socialized housing proved to be a distress call for the involvement of the private sector. The persistent limitations of government to fund housing projects, thus, the participation of private sector becomes necessary to gain progress in reducing the country's urban housing requirement (Carino and Corpuz, 2009). The participation of the private sector in the socialized housing scheme is leveraged through fiscal and non-fiscal incentives, highlighting their exemption from payment of real property taxes and other project-

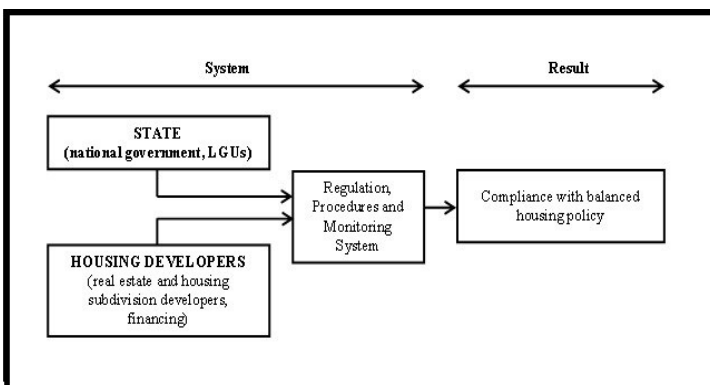


Figure 1: Compliance framework for balanced housing in the Philippines

related taxes (UDHA, 1992). The scheme is to allocate 20% of the total project area or the total project cost to be devoted to socialized housing. The policy states:

“The program shall include a system to be specified in the framework plan whereby developers of proposed subdivision projects shall be required to develop an area for socialized housing at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer within the same city or municipality, whenever feasible, and in accordance with standards set by the Housing and Land Use Regulatory Board and other existing laws and rules.” (Section 18, Article 5 of R.A. 7279).

1.6 Modes of balanced housing scheme in the Philippines

The operational definitions of the modes of balanced housing approach are a) development of new settlement for socialized housing through a joint venture with other private subdivision developers, b) joint-venture projects with either the local government units or any of the housing government agencies, c) slum upgrading or slum improvement and resettlement program (SIR) which refers to areas for priority development through renewal, upgrading and improving blighted squatter areas, and community mortgage program (CMP) which assists legally organized associations of underprivileged and homeless poor to purchase and develop a tract of land under the concept of community ownership. The primary objective of the program is to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighborhood and homes to the extent of their affordability.

Considered to be a grassroots-led approach, the CMP enables organized squatter communities to secure low interest, long-term loans for the acquisition of public or private land, site-improvement and house construction (Porio et al., 2004). Loans are taken out by an ‘originator’ who is then responsible for amortizing the loan. Originators can be non-government organizations (NGOs), local government units, the National Housing Authority, financial institutions or a private real estate developer (Hutchison, 2007). For all its novel approach, the CMP has seen welfare improvements for only a small proportion of the organized urban poor. An example of this in 2004, just an estimated five percent of surveyed 170,000 squatter households in one local government area is all CMP participants (Urban Poor Affairs Office in Hutchison, 2007). As such, the scale of financial assistance to the urban poor to secure their self-help housing falls far short of the demand.

This study assesses the compliance of the balanced housing policy under the Urban Development and Housing Act in the Philippines, particularly in the city of Davao. The study also explores the modalities usually availed by subdivision developers, the mechanisms used by government to ensure compliance, and provides policy recommendation in consideration for the efficient implementation and compliance with the policy.

2. Methodology

A structured interview was conducted to 32 principal subdivision developers and sub-contracting subdivision developers with projects in Davao City to determine policy compliance and the most availed modes. Similarly, this study has employed extensive key informant interviews on the senior staff of Davao City government’s Housing and Land Use Regulatory Unit (CHLURU), the national government’s HLURB, including the committee chairperson on Housing of the city legislative council. The former was to find out the project arrangement with the

principal developer, including project locations, while the latter aims to determine the breadth and operational knowledge of concerned government agencies and the facilitation process to ascertain whether the government is doing its job in monitoring the compliance of the balanced housing policy.

3. The Study Area

3.1 Brief Profile of Davao City

Metro Davao (ADB, 2012) is one of the most populous cities in the Philippines outside Metro Manila. It has an estimated population of 1.48 million in 2010 where 86% of the total population lived in the urban area (Philippine Statistics Authority, 2013). A primary hub of business and commerce in the southern part of the country, Davao is the largest city in the Philippines in terms of land area (NSO, 2010) occupying 244,000 hectares of land mass. The city has three geographic-political boundaries. Considered highly urbanized, the city has the presence of various agriculture-based medium-sized industries. It is the administrative center of national government offices which covers Davao Region, the service and financial center, educational center, and tourism destination in southern Philippines. Davao city serves as the leading trade, commerce, and industry center of Mindanao.

Exports from Davao City are mostly agricultural products such as banana, cocoa beans, mango, among others. In 2011, total exports have amounted to US\$ 1.7 billion with a positive trade balance of US\$ 406 million, while local tourism industry has generated an estimated US\$ 234.2 million tourist receipts. There are 1,336 financial institutions operating in the city where 194 are banking institutions (domestic and foreign banks), 538 financial and lending investors, and 125 insurance and pre-need companies, etc. The city has 97% literacy rate and has the presence of state and private universities for higher learning.

3.2 Shelter plan of Davao City

The 1990 National Census of Population and Housing in Davao City recorded a ratio of 1.02 households per housing unit. Of the total household population, 73.5% of households have ownership of their housing unit. When UDHA came into operations in 1992, the city has recorded a housing backlog of 34,000 housing units in 1994 and still growing.

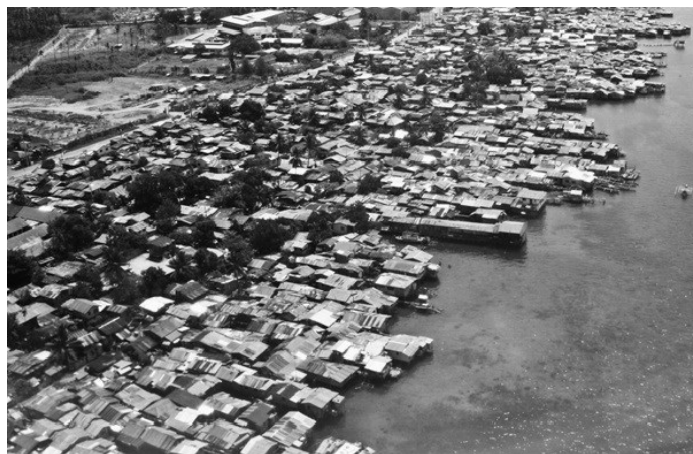


Figure 2: Urban squatter settlement in Davao City along Davao Gulf (2012)

The city's 1996-2021 Comprehensive Development Plan (CDP) is the blueprint of its development plans for the next 25 years. The Plan is explicit in addressing the housing backlog due to the (a) severe housing shortage, (b) inadequate affordable housing programs to address the poorest of the poor, (c) housing affordability to the underprivileged homeless population of the city, (d) administrative bottlenecks, (e) spiraling cost of raw land for development of new housing settlements and construction materials, and (f) to address the rampant illegal construction of shanties along waterways, road-right-way, including government a private properties, and most significant is that Davao City has (g) no comprehensive shelter development plan. Hence, the city has identified the promotion of urban housing as a flagship program institutionalizing the national government's Urban Land Reform Program (ULRP). The ULRP extends financial assistance to the city's urban poor community associations to purchase the land they currently occupy from the landowners who are willing to sell their property to the association (refer to Figure 2).

The administrators of the city unequivocally recognized the need for a comprehensive shelter development plan to alleviate the plight of informal settlers and address the perennial problems on the construction of illegal dwellings in both private and public lands. Citing the exigency for a comprehensive shelter plan, the city government has commissioned a study and came up with shelter development framework plan for the period 1998-2006, which has yet to be recognized, adopted by the local legislative council, and subject to the approval of the local chief executive.

3.3 Regulatory Function of the City

In spite the absence of a comprehensive shelter development plan, the most persistent administrative weaknesses that affect the private developers' participation in the housing program lies in the process of securing permits and licenses, and other related required documents.

With the assumption that the developer-applicant has completed the necessary preliminary requirements, the process flow (Figure 3)

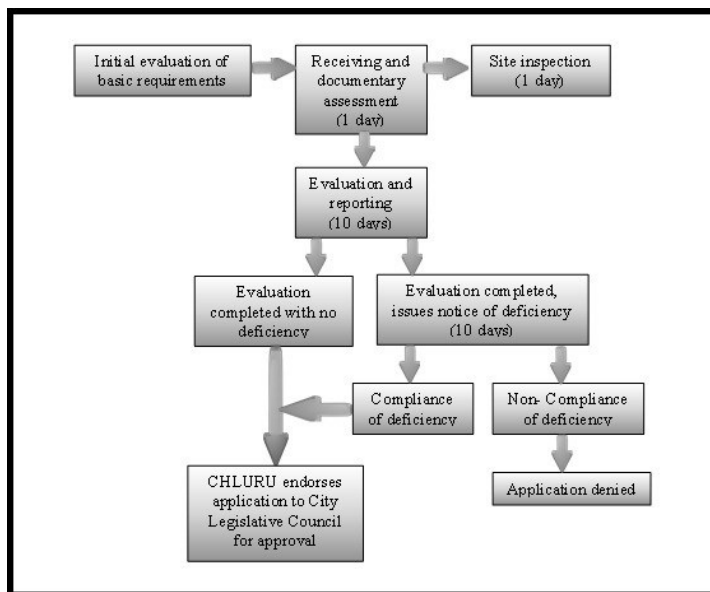


Figure 3: Process flow of subdivision application for PALC/DP) Findings and analysis

provides a clear snapshot of the tentative number of days that a developer would expect for an approval from the local legislative council. It does not include the days spent by the various approving local government bodies such as the City Mayor's Office, the City Planning and Development Office, and the City Engineer's Office in seeking the signatures of the head offices for the final release of the preliminary approval and location clearance (PALC) and the development permit (DP).

The PALC is a document that ensures the proposed housing project is within the residential zone of the city, while a development permit grants the subdivision developers to develop housing subdivisions after compliance of a certain set of requirements. The required approval of PALC and DP is preceded by the submission of the official requirements that private housing developers are obliged to complete before any preliminary evaluation is done by CHLURU. However, the official documentary requirement to secure the PALC and the DP which are exclusively based on the Presidential Decree 957 and Batas Pambansa 220, do not include any provision that reflects the requirement that shows adherence to the UDHA.

4. Results and Discussions

4.1 On 20% land area or cost allocation compliance

Private subdivision developers have a choice to execute the mandatory requirement of the policy. The first is the allocation of 20% land area for socialized housing component which is based on the 'gross developed area' of the property to be developed as main housing project by a private developer. Second is the project cost allocation which refers to the cost of the project based on the current market value of raw land, the estimated land development cost, the cost of housing construction, and other miscellaneous expenses. On track with the principle of balanced housing policy, the 32 subdivision developer-interviewees were intrinsically successful to meet the mandated 20% compliance requirement through the provision of land area.

Considerably, in all instances the 20% land allocation compliance was the preferred choice of the 32 subdivision developers. The basic consideration of the developers, including the high-end residential developers, on their preference of land allocation were: a) lands outside the prime locations in the city are inexpensive relative to the 20% project cost of their main subdivision project, b) the real property prices outside the territorial jurisdiction of Davao City are least-priced especially in the rural municipalities, and moderately priced in other cities, c) joint venture arrangements with compliance subdivision developers proved to be economical in terms of gross project development cost, d) the availability of company-owned real properties by reason of land-banking which were inexpensively purchased in the past, and e) the potential expansion of their projects in those areas. Meanwhile, the primary consideration for not choosing the 20% project cost allocation is their repugnance for additional cash outflow.

However, the 20% land area allocation earmarked for socialized housing has been marred by some subdivision developers shorting the city government. This is perhaps due to the inadequacy of the government to provide the developers clear and unambiguous implementing rules and regulation of balanced housing policy. The phrase "... at the option of the developer within the same city or municipality, whenever feasible..." leaves the city government of Davao washed up to meet the socialized housing needs of its homeless constituents. During the 7-year period (1992-1998) covered in this study, Davao City's homelessness would have been partially met having a total of 2,272 socialized housing

units constructed by the developers who applied for socialized housing. However, due to the amended provision of the law, the city has lost 15% of the total housing production to locations outside the territorial jurisdiction of the city, with 1.0% percent constructed in the Panabo City north of Davao and the other 14% was settled in Gen. Santos City, approximately 150 kilometers south.

What pulled the rug further from under for the effective implementation of the balanced housing was the intentional deviation of some developers. Of the 1,921 units or 85% of the total socialized housing units benefiting the city's homeless poor, 514 units or 27% has already been approved under the socialized housing project in joint venture with the National Housing Authority prior the developers' application for socialized housing in the city. Thus, Davao City has measly benefited 1,407 units or 62% of the total 2,272 units which can be accredited to be within the framework of the policy.

The city could not have been remiss on the compliance of the policy, had there been a constructive disclosure to the developers that lands, where the socialized housing project would be located, should be totally free from the any legal complications. Despite the approval and release of the PALC/DP, one of the 32 socialized housing subdivisions remained stalled since the land was under mortgaged and foreclosed by a bank. However, according to official records of CHLURU, the project was already completed. This state of affairs merely suggests that the city government through CHLURU has an inadequate evaluation and monitoring systems that would have ensured that the policy on balanced housing is adequately met and completed.

4.2 On the mode of compliance

The construction of new settlement for socialized housing is basically the most availed balanced housing compliance option. This can be deduced from the 32 developer-interviewees where 87% have preferred to develop their socialized housing component either in separate locations but within the Davao City, or other locations outside Davao City. On the other hand, only 13% have chosen to develop their socialized housing project side-by-side or within the geographic area of their main subdivision within Davao City.

There are two types of strategies that a subdivision developer would meet the balance housing policy while locating it in the same city. Either the developer opts to develop and locate its socialized housing separate from its main subdivision project but within Davao City, or enter into a joint venture arrangement with another private developer but the location would still be within the host city. This scheme is described by the authors as 'off-site location' option (Figure 4) where the socialized housing component is developed distant apart from the main subdivision but located within the host LGU.

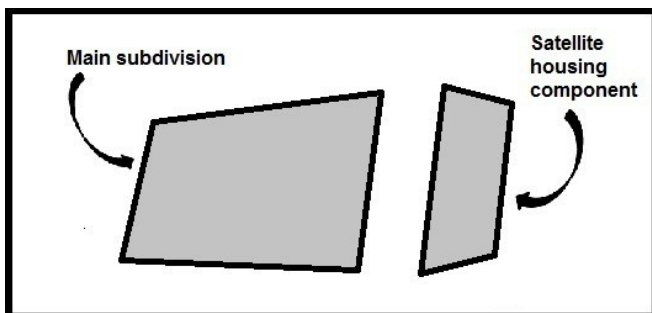


Figure 4: Off-site Location Option

Relatedly, an interview with the operations manager of the high-end housing developer Robern Development Corporation emphasized that “to locate our socialized housing within the main subdivision would pull down the price of the land per square meter since the location our main subdivisions are located in prime locations and our land acquisition is more expensive.” Crown Asia, another high-end condominium and subdivision developer, stated that “our type of development for the main subdivision projects is carefully designed to portray a certain ambience of exclusivity and putting a socialized housing near it is out of the question. The decision to go into joint venture with another developer is simply to comply with the requirement of the law.” It can be inferred that high end subdivision developers choose to have their socialized housing component in separate locations within Davao City through company-owned initiative, or joint venture agreement with other private developers.

The scheme to develop the socialized housing component outside Davao City, despite the location of its main subdivision, is either through company-owned initiative, or joint venture agreement with other private developers. This scheme is aptly described by the authors as 'satellite location' option (Figure 5). This option indicates that the socialized housing component is located and developed in other local government units, while the main subdivision is located in the host LGU.

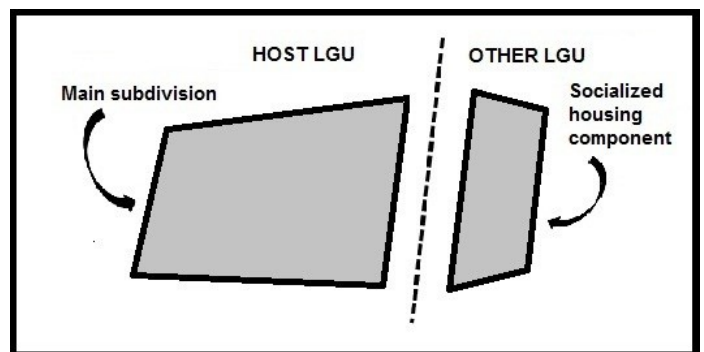


Figure 5: Satellite Location Option

Subdivision developers such as the Foothills Realty Corporation opted to develop their socialized housing component outside the territorial jurisdiction of Davao City, or through 'satellite location' since the corporation has its own land, hence there is no additional cash outflow for the purchase of the land. Similarly, the operations manager of the Ellsons Realty stated that “we have entered into a joint venture agreement with other private developer to construct our socialized housing project in another city.” This type of option though subject to further policy discussion, while there was indeed compliance with the policy, is highly irregular to locate the socialized housing in another LGU while the main subdivision is located in Davao City. To this end, subdivision developers pursue this approach perhaps due to lack of appropriate regulatory mechanism from the city government of Davao or HLURB to address this seeming irregularity.

In the light of generating socialized housing within the host city, the 'satellite location' option could be considered an outlier strategy that hinges on the loose translation of the phrase “...whenever possible,” as specified in Section 18, Article 5 of the UDHA. The continuing utilization of this ambiguous phrase in the law, for purposes of locating the socialized housing outside the host city, in compliance with the balanced housing policy, renders the city government of Davao

ineffective in the administration and operationalization of the UDHA as instrument for social reforms.

Meanwhile, as stated earlier, only 13% of the developers have co-located the socialized housing with their main subdivision or 'on-site location' option. Through the on-site location (Figure 6) option that socialized housing component is developed on the same location where the main subdivision is situated within the host LGU.

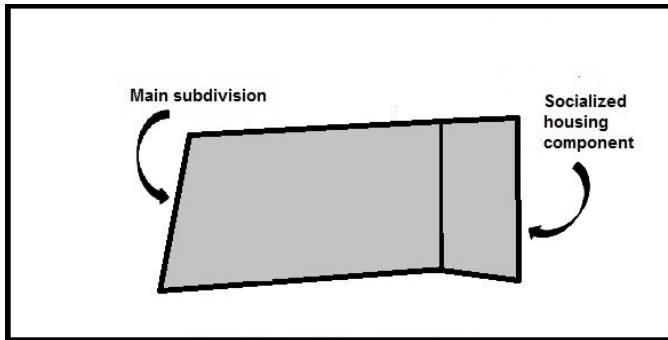


Figure 6: On-site Location Option

On the question on their preference to locate their socialized housing projects within the main subdivision, a senior staff of the Santos Land Development, Inc. said “the development of socialized component within our main subdivision project is a standard operating procedure of our company and has always developed subdivision projects side by side with economic and socialized housing.” Meanwhile, the operations manager of the Uraya Land Development, Inc. claimed that “while socialized housing have low profit margin, it was easier and faster to dispose the units.” Accordingly, the engagement of these developers with ‘on-site location’ option provides them considerable savings on overhead cost to develop projects in one location.

4.3 On regulatory and monitoring functions of the city government

The advent of UDHA has provided sufficient authority to the city government which includes the administrative, operational, regulatory and coordinative functions in the implementation of the socialized housing program of the government. It is explicit that LGUs, i.e. city government of Davao, are the lead agencies and have the authority to implement the provisions of the Act in coordination with HUDCC, other government agencies, the private sector and the non-government organization (Section 39, Article 10, R.A. 7279). A comprehensive development plan as regulatory mechanism is also mandated to be prepared by local governments in accordance with the provisions in UDHA.

In spite being the lead agency, coupled with all-encompassing authority devolved through UDHA, the city was deliberately reluctant for not devising comprehensive implementing guidelines to operationalize the balanced housing policy. Had this action by the city government been in place, an inclusive compliance would have been afforded. Incidentally, the chairperson of the Committee on Housing of the city legislative council does not consider the requirements of the balance housing policy on its approval of PALC/DP.

One of the vital functions devolved to the city was the administration and regulation of the issuance of PALC/DP which was formerly exercised by HLURB where the applications are filed at simultaneously. The process was revised by CHLURU, where the filing of application

for PALC should be filed ahead of the DP, which contravenes the required process of UDHA for the simultaneous filing of application for the main subdivision and the socialized housing component. In relation to this, the official requirement checklist does not contain these two requirements; hence it could be assumed that it does not warrant compliance. Accordingly, when asked about the non-inclusion of the requirement for the socialized housing component, a senior officer at CHLURU said “the socialized housing requirement will be determined at the time of the issuance of the Certificate of Completion (COC) by the HLURB.” Despite the local government’s awareness of the balanced housing policy, the CHLURU has deliberately not included the mandated documentary requirements in the city’s checklist of official requirements. The in adherence of the CHLURU to the required process and its exclusion of the documentary requirement for the socialized housing component in the official checklist, illustrates the incapability of the city to properly implement UDHA. Worth-noting was awareness of subdivision developers of the government’s policy on socialized housing despite inadequate information from the city government. This can be attributed on their submission of compliance projects despite the exclusion of some required documents on list of official requirements.

Compliance monitoring is one of the key components of the implementation of the socialized housing for the success of the balance housing development. However, this aspect of the entire process has created ambiguity to the State stakeholders which are the LGU and the HLURB. The confusion between the two government agencies exacerbates the issue on which agency shall conduct the monitoring of the compliance subdivision. While the evaluation and issuance of PALC and DP was devolved to the LGUs by virtue of UDHA, the monitoring aspect was not included, thus HLURB could not have transferred its monitoring function to the LGU, i.e. city government of Davao.

There were instances that both agencies conduct their monitoring activities on different timetables. Most of the developer-interviewees revealed that HLURB conducts more monitoring on irregular basis, while there were a number of developers professed that CHLURU monitored them on quarterly basis. However, a common observation of the majority of the developers is the absence of uniform monitoring standards used by both agencies, and the compliance subdivision projects were mostly monitored and inspected only when these agencies received complaints. There appears to have a considerable lack of coordination between the CHLURU and HLURB.

Project monitoring function of the city through CHLURU was largely unnoticed by the 90% of subdivision developers who were unaware of any field monitoring during the implementation phase other than respond to complaints, which indicates the inadequacy of the monitoring system. Of the 32 main subdivision projects, 17 projects were completed yet only three were given the full Certificate of Completion (COC) with two having partial COC. Of the 24 socialized housing projects, only six have been issued full COC, while the rest was given partial completion. The study revealed further that the monitoring of compliance projects was not an integral part of the entire process. Respondents of the survey indicated that as developers received their COC for the main subdivision, it is equally assumed by government agencies that the compliance project, i.e. socialized housing component, was similarly complied.

5. Policy recommendation

The success of the balanced housing program is dependent on the commitment of those who were tasked to implement the same, i.e. the city government of Davao. The performance in the implementation of

the balanced housing development in the Philippines can be improved by making the government policy more consistent and more effective. The balanced housing initiative was devolved to local governments since the national government was categorically convinced that basic public services must be brought down to the local government units to be functionally responsive to its citizens, The national government believed that (a) local government units are more efficient government since they are closer to local citizens and as such can better take into account specific local preferences for public services and taxation, and (b) it focuses upon the costs of public service provision (Lavado et al., 2010).

The City Government of Davao needs to approach the problem of growing urban homelessness with creativity and urgency, and to accelerate the improvement and production of socialized housing through the balanced housing development policy. Hence, this study has the following policy recommendations:

a Institute a city shelter development plan

Having been empowered by the national government as the frontline government agency on the operationalization the socialized housing program, a comprehensive shelter development platform should be developed to meet the persistent shortage of affordable public housing. This could steer clear the city's vision in reducing homelessness of the urban poor.

b Institutionalize an implementing mechanism

Institutionalize an autonomous implementing agency which will be solely responsible for the entire scope of housing development ranging from the formulation of policy guidelines, the implementation to on-site project performance and post-project monitoring of compliance projects. Manpower component with appropriate educational qualification and experiences related to housing development (i.e. UDHA) should be afforded by the city government.

c Harmonize regulations and procedures

The effectiveness of any government program starts with a well-organized systems and procedures to benefit the government, the private sector and the urban homeless beneficiaries. Hence, clear rules and regulations from the outset by enumerating the required documentary requirements, clarity of procedures from the application stage to post-project evaluation phase, and define the functions and responsibilities of the two key players of the State (city government of Davao and the HLURB) to collaboratively institutionalize a seamless evaluation and monitoring of projects. This would ensure accurate compliance by the private sector in the balanced housing policy of the government.

d Full Press on alternative housing development approaches

The city government of Davao should vigorously pursue the already proven successes of socialized housing strategy in the Philippines. The most common approach is the community mortgage program (CMP) where the proponents are urban community organizations (where membership is homeless and landless households). The success potential of CMP is higher since there is a thorough participation of the beneficiaries which enjoins them to pursue a successful culmination of a housing project. Tapping the resources of the private sector is another potent approach. The local government could arrange a joint venture with private developers in terms of financial sourcing both for generating new housing settlements and on-site community improvement approach.

e Template to facilitate LGU to LGU monitoring system

Due to the inadequacy of administrative and operational mechanism of the host LGU (i.e. Davao City) in consideration of the satellite location mode of compliance, the city should initiate and develop an inclusive administration and operational template in partnership with other LGUs where applicable, for purposes of monitoring socialized housing compliance projects.

f Mitigate the adverse effects of 'satellite location' mode

Losing 15% of the total compliance housing units through the 'satellite location' scheme, that would have reduced urban homelessness in Davao City, could have been mitigated through a local statute to effect an inclusive growth in the provision of housing units that benefits the urban poor. This consideration is on the basis of the general welfare clause (Section 16, R.A. 7160) enshrined in the Local Government Code of 1991.

g Dis-acknowledge compliance projects with prior arrangements with NHA

The common practice of some private sector developers to outsmart the city government by the inclusion of their prior arrangement to develop a socialized housing with the National Housing Authority (NHA) defeats the provisions of UDHA and should not be acknowledged as compliance project. This factual and absurd defiance of the operational scope of the policy on housing compliance suggests that the city government of Davao should be more perceptive in the application of the balanced housing policy.

5. Conclusion

The socialized housing developers in Davao City have complied with the policy on the balanced housing development. The most common mode of compliance for socialized housing was the development of new settlement sites. However, the joint venture option of the principal developer with other private developers, with existing joint undertaking with government housing agencies on mass housing projects, adequately defeats the purpose of augmenting socialized housing requirement of the city. A joint venture option with private developers with existing tie-ups with the national government's mass housing scheme precludes the production of mass housing.

The 'satellite location' option is the most contentious in the light of implementing and monitoring compliance projects, aside from the opportunity loss suffered by the host LGU. The absence of any mechanism that would facilitate a successful implementation and monitoring of the socialized housing project outside of the city, where the main project is located, is unembellished failure of the city government in the implementation and monitoring phases and remained to be a major bottleneck in the effective compliance with the balanced housing policy. Davao City has lost 351 units to a nearby cities and municipalities, which would have benefited the city's homeless households if not for the seemingly ambiguous provision of the law.

Finally, it can be deduced that the city lacks the determination to implement the balanced housing provision of UDHA. The city's over dependency on HLURB in the implementation of socialized housing component causes a failure in the compliance and monitoring levels due to fragmented and lack of collaborative efforts between the LGU and the HLURB.

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