

# 12 Building Safe, Resilient, and Sustainable Communities





# Building Safe, Resilient, and Sustainable Communities

The urgency to address the growing need for adequate housing in well-planned communities has never been a matter of survival until the country confronted the COVID-19 pandemic. We have seen in various highly-dense communities, the rapid increase of the spread of the virus, given the difficulty to observe safe social distancing, in congested spaces and inadequate access to household water and sanitation. Against this backdrop, the housing and urban development sector continues to pursue building safe,<sup>1</sup> resilient, and sustainable communities towards realizing a safe and healthy Philippines. The sector will operationalize the Building Adequate, Livable, Affordable, and Inclusive Filipino Communities (BALAI) program. BALAI is the multi-stakeholder partnership platform of the Department of Human Settlements and Urban Development (DHSUD) and its attached corporations, with the private sector, local government units (LGUs), and the communities, aimed at expanding access to housing opportunities by accelerating housing production, enhancing housing affordability, especially for low-income groups, and ensuring livability and sustainability of human settlements delivered through direct and indirect assistance.

## Assessment and Challenges

There is a paradigm shift from housing production to management of housing, human settlements, and urban development which catalyzed the creation of the DHSUD, consolidating the functions of the Housing and Urban Development Coordinating Council (HUDCC) and the regulatory functions of the Housing and Land Use Regulatory Board (HLURB). The added powers and functions of DHSUD provide an enabling mechanism for better policy and program coordination, reform advocacy, and implementation, especially at the Cabinet level.

The current COVID-19 pandemic has amplified the need to improve the quality of living conditions, especially vulnerable households living in highly-

dense communities. Addressing the enormous housing need has always been challenged by a confluence of structural and transactional factors. These include: (a) institutional bottlenecks, particularly the complex and tedious processing and approval of housing permits, licenses, and clearances; (b) lack of land suitable for socialized housing development especially in urban areas; and (c) low agency budget allocation and utilization.

The emerging health and safety concerns, as the country transitions to the new normal, are expected to slow down housing production, as well as relocation and resettlement activities, given the disruption in production and delivery of

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<sup>1</sup> Safeguards families and communities from environmental risks and negative impacts of urbanization, with particular attention to children, women, elderly people, and persons with disability (PWD).

construction materials, limitations in the conduct of social preparation activities, and greater opposition from receiving LGUs, due to fear of infection and additional social services requirement, among others. These concerns also increase the demand to shift to digitalized government transactions on human settlements development, to ensure that processing of housing-related government permits, licenses, and other transactions are not disrupted. There is also a need to address affordability issues considering that both housing developers and

buyers are affected by the pandemic. On the part of developers, production cost (e.g., construction supplies and materials) has increased due to the imposition of construction health protocols and the need for housing redesign to meet public health goals. Buyers, on the other hand, may have lost income and livelihood and may choose to postpone housing investment.

## Targets

Table 12.1 shows the updated Plan Results Matrices (RMs) indicators and targets for 2020-2022.

**Table 12.1 Updated Plan Targets to Build Safe, Resilient, and Sustainable Communities**

INDICATOR	BASELINE VALUE (YEAR)	TARGETS			
		2020	2021	2022	END OF PLAN <sup>2</sup>
Percentage of socialized housing units delivered to socialized housing targets (Annual)	54 (2016)	63	68	73	73
Percentage of low-cost housing units delivered to low cost housing targets (Annual)	116.51 (2016)	100	100	100	100
Proportion of LGUs with approved/ updated Comprehensive Land Use Plan (CLUP) increased	27 (2019)	28	30	31	31
Proportion of urban population living in informal settlements decreased (Sustainable Development Goal [SDG] 11.1.1)*	3.2 (2015)	2.60	2.47	2.35	2.35
Proportion of families with owned or owner-like possession of housing units (SDG 1.4.1p9)	61.0 (2016)	72.12	74.90	77.68	77.68
Proportion of families with access to secure tenure (SDG 1.4.2p1)	97.0 (2016)	97.84	98.05	98.26	98.26

Note: \*Baseline and annual targets were updated based on the SDG National Targets Validation Workshop on November 28-29, 2018 in Tagaytay City.

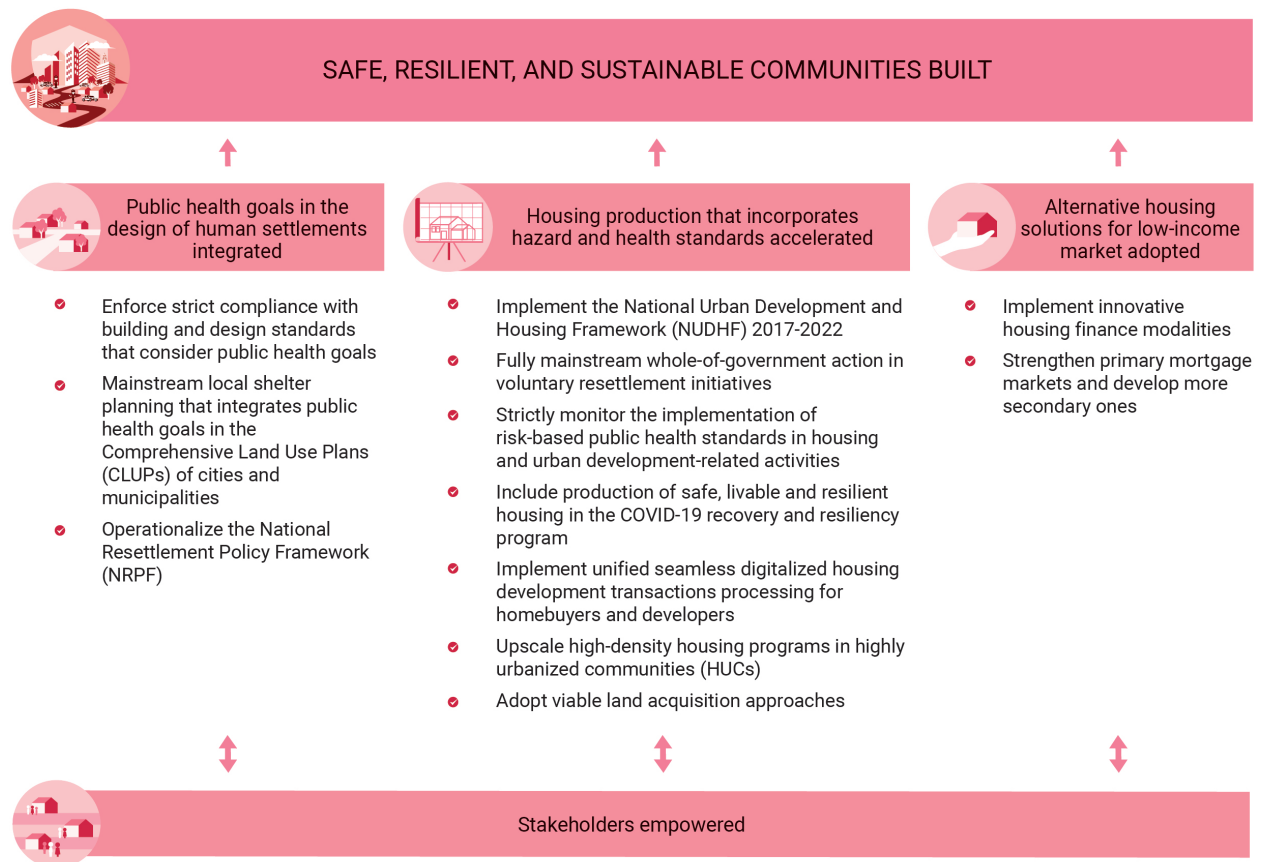
<sup>2</sup> May either be the cumulative (2017-2022) or incremental target value at the end of the Plan period.

# Strategic Framework

The sector will contribute to strengthening the foundations for inclusive and sustainable development by building safe, resilient, and sustainable communities. This chapter refocuses the subsector outcomes on three areas: regulation, production, and financing. First, public health goals in the design of human settlements will be integrated. Second, housing production that

incorporates hazard and health standards will be accelerated. Third, alternative housing solutions for low-income market will be adopted. As a cross-cutting strategy, empowerment of stakeholders (e.g., families, communities, and LGUs, among others) will be intensified towards the attainment of these three subsector outcomes.

**Figure 12.1 Strategic Framework to Build Safe, Resilient, and Sustainable Communities**



# Strategies

## Integrating public health goals in the design of human settlements

To ensure livability and sustainability of human settlements, public health goals will need to be considered in building and design standards, as well as shelter planning.

**Enforce strict compliance with building and design standards that consider public health goals.** Adjustments in housing designs to include minimum health standards, such as the integration of wash areas before entry into the main structure of the housing unit, improving ventilation, and providing ample public and green spaces to low-cost and socialized housing units, which may serve as isolation and quarantine spaces in case of an outbreak, among others, are deemed necessary. Further, a national policy on the housing minimum standard space per person to effectively achieve physical distancing, including the number of rooms per housing unit that would allow for possible areas for quarantine to avoid crowding, will be pursued by the DHSUD, in coordination with the Commission on Population and Development (POPCOM). In light of this, the national government agencies (NGAs) and the LGUs will enforce stricter compliance with building and design standards (i.e., safety, location, structural design, and integrity) by the developers, contractors, and private homebuilders. Due diligence is essential on the part of NGAs and LGUs, in terms of inspection of materials, construction progress monitoring, and certification of project completion, to also ensure satisfactory compliance with building and design standards. An inventory of housing units that do not meet minimum design and health standards will be jointly pursued by DHSUD and Department of the Interior and Local Government (DILG) in coordination with the LGUs.

**Mainstream local shelter planning that integrates public health goals in the Comprehensive Land Use Plans (CLUPs) of cities and municipalities.**

As a tool to address its public housing provision, the DHSUD shall institutionalize local shelter planning through the Local Shelter Program (LSP) in cities and municipalities as provided in the Local Government Code of 1991 (RA 7160) and the Urban Development and Housing Act (UDHA) of 1992 (RA 7279). To operationalize the LSP, implementing guidelines and strategies that will provide technical assistance to the LGUs, in the formulation of a risk-informed LSP to address resiliency and mitigate impacts of disaster/calamity to households, shall be developed. These will complement the Supplemental Guidelines for Mainstreaming Climate Change Adaptation (CCA) and Disaster Risk Reduction (DRR) in the CLUP, formulated in 2014 by the Housing and Land Use Regulatory Board (HLURB) under Resolution No. 915. The LSP will also utilize POPCOM's Demographic Vulnerabilities Tool (DVT) based on the analysis of four important characteristics of every barangay during a pandemic: (a) the number of houses measuring less than 20 square meters (sqm) in the barangay; (b) the number of individuals living in a house; (c) the number of individuals 60 years of age and older living in houses less than 20 sqm; and (d) the number of individuals 60 years of age and older living alone.

A Local Government Shelter Plan Management and Monitoring System shall be established to ensure efficient delivery of housing, financing, and other housing/shelter interventions to targeted beneficiaries. To incentivize its formulation, an approved LSP will be a requirement in the DHSUD's issuance of the BALAI seal of compliance. Specific health measures include incorporating hazard and health standards in the CLUPs and zoning ordinances. Such measures are aimed at reducing infectious and communicable diseases and enhancing the well-being of the population, especially those who face additional risks due to poverty (i.e., women, children, elderly, and other marginalized groups); prioritizing more open and green spaces and better walkability that allow for social distancing in CLUPs; and exploring the inclusion of an open or public space, which may

be used for isolation and/or quarantine or other similar purposes, in the design of housing and resettlement packages.

**Operationalize the National Resettlement Policy Framework (NRPF).** The DHSUD will fully implement the NRPF and ensure its integration in the local plans and programs on resettlement. In the next two years, the DHSUD will undertake information dissemination, consultations, and subsequent issuances of policy resolutions towards the implementation of the framework, in line with the localization efforts on the New Urban Agenda (NUA). The NRPF will be promulgated with emphasis on livelihood restoration guided by a socioeconomic restoration framework.

## Accelerating housing production that incorporates hazard and health standards

To expand housing opportunities and help in the social and economic recovery from COVID-19, the government will accelerate housing production following urban development and housing framework and incorporating hazard and health standards.

**Implement the National Urban Development and Housing Framework (NUDHF) 2017-2022.** With lessons from the past two decades, the recent iteration of the NUDHF provides a more cohesive framework with emphasis on making urban spaces greener and more inclusive. It recognizes the role of urbanization in creating more open, connected, and collectively resilient communities. These will be incorporated in CLUPs, zoning ordinances, comprehensive development plans, and LSP, which will guide urbanization that supports equitable growth and promotes uniquely Filipino cities and municipalities. In the next two years, the DHSUD will issue a Department Order (DO) or a Joint Memorandum Circular to mandate concerned NGAs and LGUs to implement and monitor in adherence to the NUDHF.

**Fully mainstream whole-of-government action in voluntary resettlement initiatives.** To ensure sustainability in the voluntary resettlement initiatives of the government, the *Balik Probinsya, Bagong Pag-asa* (BP2) program will be fully implemented through complementary initiatives while sustaining established community safety and health standards. The program leverages both national and local government resources in ensuring inclusive and balanced urban and rural development, promoting rural prosperity, and complementing initiatives towards attaining resilient and sustainable communities. In the past, the lack of coordination and clear policy guidance among concerned agencies and LGUs hampered the prompt and sustained delivery of auxiliary services such as school buildings, day care centers, health centers, access roads, and livelihood support services. A BP2 Council was created by virtue of Executive Order (EO) No. 114 to serve as the coordinating body for implementation. As majority of families below the poverty threshold live in unplanned communities or in high-risk and danger areas and their lack of financial resources diminishes their capacity to recover from calamities, they are the most vulnerable in times of natural and anthropogenic disasters. A resettlement emergency assistance program (REAP) by the DHSUD will, likewise, be implemented to ensure that families affected by unanticipated events are provided with emergency financial assistance for the construction or rehabilitation of their houses.

**Strictly monitor the implementation of risk-based public health standards in housing and urban development-related activities.** As part of the health protocols imposed by the government, the DHSUD will monitor the strict implementation of the recently-issued DO No. 2020-005 dated May 14, 2020. The policy provides guidelines for all developers and other entities on the mandatory minimum requirements, as well as inspection and monitoring procedures in the commencement or resumption of their real estate business, development and construction operations, and activities in areas covered by the community quarantine due to COVID-19. The DHSUD and its attached corporations will also issue guidelines to ensure service continuity in housing and auxiliary services delivery during the pandemic.



**Include production of safe, livable, and resilient housing in the COVID-19 recovery and resiliency program.** The activities of the housing sector are recognized as an economic pump-primer because of the over 80 allied industries involved. Housing activities also contribute to total employment, generating substantial direct employment with an average of 8.3 laborers for three weeks or 124 person-days per housing unit – an average of approximately 5 percent of the country's total employment. Through continuous production of housing units, more employment opportunities are generated for laborers and other workers involved in the housing industry. Given the economic and social contribution of housing, it is imperative that the government elevate the human settlements and urban development programs, as part of the COVID-19 recovery and resiliency plan, and ensure its continuous delivery of services.

**Implement unified seamless digitalized housing development transactions processing for homebuyers and developers.** This shall include review of procedures to streamline and digitalize the issuance of housing-related licenses, clearances, and permits in light of COVID-19. Housing one-stop processing centers will be established in every region to fast-track processing of housing-related permits, clearances, and licenses issued by the NGAs and LGUs. The aim is to further streamline the 78 government-related transactions that take about 48 months, on average, in compliant with the Ease of Doing Business and Efficient Government Service Delivery (EODB-EGSD) Act of 2018 (RA 11032) and the Anti Red Tape Act (ARTA) of 2007 (RA 9485).

**Upscale high-density housing programs in highly urbanized cities (HUCs).** High-density housing solutions such as low-rise (3-5 storeys), medium-rise (6-10 storeys), and high-rise (above 10 storeys) buildings to maximize housing production per unit of land, especially in HUCs, will be expanded. The design of the structures should allow several entry/exit points with adequate health and security protection for its residents. The units should have adequate ventilation and space per person.

**Adopt viable land acquisition approaches.** Land banking, especially for urban socialized housing, will be scaled up as government prioritizes in- and near- city approaches to resettlement. Likewise, the use of the modalities of usufruct or long-term use of land will be expanded to enhance affordability of socialized and low-cost housing programs due to lower land development cost.

## Adopting alternative housing solutions for low-income market

To make housing more affordable for low-income market, alternative housing solutions will be adopted.

**Implement innovative housing finance modalities.** Recognizing the importance of housing microfinance, as a pro-poor housing finance strategy with the potential to incorporate climate and disaster resilience, the DHSUD will formulate institutional and policy reforms to accelerate housing microfinance as the primary pro-poor housing finance strategy. It will, likewise, identify potential products to provide credit that encourages disaster-resilient housing and support, in post-disaster reconstruction of damaged housing. Alongside this, the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Act (RA 10963), which rationalizes the tax incentives system for socialized housing, will develop direct subsidies through housing vouchers, public rental housing, housing microfinance models, and Islamic financing schemes. A feasibility study and pilot implementation of the housing voucher and public rental housing modalities will be pursued by the DHSUD. Partnership with the private sector for incentivized compliance with the Balanced Housing provision under RA 7279, as amended by RA10884, to mobilize funds for public housing of LGUs, as an offshoot of the private developer's compliance, with these laws shall be continuously explored.



**Strengthen primary mortgage markets and develop more secondary ones.** The current efforts of Home Development Mutual Fund (Pag-IBIG) under the Affordable Housing Program (AHP) have proven to be effective. Lowering interest rates from 6 percent to 3 percent increased socialized housing loan take-outs from low-income Pag-IBIG members. Sustaining the success of the Modified Pag-IBIG (MP2) program implementation is expected to expand the Pag-IBIG Fund's fiscal space to enable it to finance more loan take-outs and other loan services. On the other hand, to accelerate the rollover of housing funds to provide a sustainable source of financing, the secondary mortgage programs of National Home Mortgage Finance Corporation (NHMFC) need to be further strengthened and broadened, to include housing-related financial assets and not only limited to home mortgages. In addition, marketing of NHMFC's programs need to be intensified. For instance, the *MAginhawang BUhay sa baHAY* (*MABUHAY*) Program, a newly-introduced reverse mortgage program, needs to be widely promoted. The *MABUHAY* allows senior citizens/retirees to convert a portion of their home equity into cash in order to address immediate financial needs.

## Stakeholders empowerment

The DHSUD will empower stakeholders by institutionalizing community-led/ driven development of human settlements, as a cross-cutting strategy to ensure sustainability of its program implementation. Specifically, the DHSUD and its attached corporations will provide guidelines for the strict observance of safety standards and health protocols in the conduct of peoples' planning and other community-led/participatory approaches in human settlements development. This is to aid in strengthening community cohesion, improving community competencies for pre- and post-health action activities, and other disaster-related activities, upgrading community areas through site development and provision of infrastructure (e.g., utilities, small roads/access roads, sewage systems), and capacitating community associations such as homeowners associations (HOAs), housing cooperatives, and neighborhood associations, on estate management in a truly participatory and sustained manner.

# Legislative Agenda

To strengthen effectiveness of the strategies, the following legislative actions are needed:

*Table 12.2 Legislative Agenda to Build Safe, Resilient, and Sustainable Communities*

LEGISLATIVE AGENDA	RATIONALE
<b>Chapter Outcome: Safe, resilient, and sustainable communities built</b>	
Passage of the National Land Use Act (NaLUA)	This will establish a national land use framework that will define the indicative priorities for land utilization and allocation across residential, infrastructure, agricultural, and protective uses and integrate efforts, monitor developments related to land use, and evolve policies, regulations and directions of land use planning processes.
Amendments to the NHMFC Charter	The proposed amendments will strengthen and broaden NHMFC's mandate to include the development of a secondary mortgage market for housing-related financial instruments/assets and issuance of housing related asset-backed securities, as well as invest in housing-related financial instruments and other investment vehicles.
Institutionalization of Local Housing Boards	This will provide mandatory creation of Local Housing Boards in every city and first to third class municipality to ensure full cascading of the government housing policies and programs to the local government and ensure the sustained implementation of national and local housing programs.
Strengthened National Housing Authority (NHA) Act	The proposed measure will renew the NHA Charter and strengthen its organizational structure and functions.