Poor Coordination Among Key Agencies Prevented NHA from Achieving Its Relocation and Resettlement Goals
IN-CITY RESETTLEMENT HOUSING PROGRAM

Poor Coordination Among Key Agencies Prevented NHA from Achieving Its Relocation and Resettlement Goals

What COA Found

The 5-year Housing Program (2011-2016) aims to provide a safe, affordable, and decent resettlement housing for Informal Settler Families (ISFs) living in danger areas to on-site, near-city and in-city leaving off-city resettlement as last resort. In order to attain these objectives, National Housing Authority (NHA) established a goal of constructing 16,748 permanent housing units and relocate the same number of ISFs by the end of 2016.

Auditor Highlights

Why COA Did This Study

In 2011, the Government allocated ₱50 billion for the 5-year Housing Program to relocate and resettle ISFs living along danger areas in Metro Manila. Informal settlements are often overcrowded, exposed to recurring floods, and lack basic infrastructure and services. NHA allocated ₱9.853 billion for the “In-City Resettlement Housing Program (ICRHP)” to construct 16,748 permanent housing units by the end of 2016.

This audit examined: (1) the program’s goals, objectives, and performance indicators; (2) the extent to which the ICRHP achieved its construction and resettlement goals and objectives; and (3) the factors affecting the program’s efforts to attain its targets.

COA reviewed/assessed the program documents and accomplishment reports, conducted visual inspections of several housing projects, and interviewed NHA personnel and selected resettled families.

What COA Recommends

COA recommends that the ISF-National Technical Working Group (NTWG) harmonize the roles and responsibilities of concerned agencies to their respective mandates to address the gaps in the planning and implementation of the resettlement and relocation of the identified ISFs. In addition, the NHA, in particular, should align its existing guidelines to the overall Policy Guidelines and the related IRR of the Housing Program to establish proper coordination with other implementing agencies and to ensure uniformity of implementation of the program.

As of December 31, 2016, the NHA constructed 8,644 or 52% of the planned housing units. An additional 4,876 (29%) units were under construction while construction on 3,228 (19%) units had not started because NHA had yet to issue the project proposals, start the bidding process or sign the contract. Acquisitions/Identification of land for socialized housing also contributed to delays because local governments did not properly coordinate with NHA in submitting the required reports on the inventory of land.

ISFs’ relocation and resettlement goals also fell short of targets. The 3,656 families relocated under this program account for only 22% of the 16,748 identified ISFs. There is no specific timeframe for ISFs’ relocation from the time the housing units are completed. Moreover, ISFs find it difficult to secure documentary requirements for relocation such as notarized Sworn Application to Purchase Lot/Unit (SAPL), Birth Certificates and proof of income. In addition, families had a disincentive to accept in-city housing units because of their higher monthly payments compared to off-city units. On average, in-city monthly payment is 227% higher than off-city payment. Furthermore, validation of program beneficiaries could not be done due to absence of updated centralized ISF beneficiaries’ database covering all government housing programs that resulted to double availment of housing units and accommodation of non-beneficiaries.

There are several factors that hindered NHA’s efforts to attain its targets. First, the program’s Policy Guidelines and its Implementing Rules and Regulations (IRR) were not promulgated until 2-3 years after the program began in 2011. Second, the roles and responsibilities of the four implementing agencies were not properly defined, coordinated nor aligned with their respective mandates. For example, the Department of Social Welfare and Development (DSWD), NHA, Social Housing Finance Corporation (SHFC), and the Local Government Units (LGUs), adopted a fragmented and independent schemes in terms of People’s Plan Adoption, Beneficiary Selection and Validation, Selling Prices and Payment Terms, which are necessary in the implementation of the Housing Program. Also, the technical expertise and mandate of the Housing and Urban Development Coordinating Council (HUDCC) was not tapped in the implementation of the Program. Moreover, the Program adopted the concept of the People’s Plan wherein the affected ISFs will be adequately and genuinely consulted, including the selection of contractors which is not in accordance with Republic Act (RA) No. 9184 otherwise known as the “Government Procurement Reform Act (GPPA)”. On the other hand, NHA adopted the Design and Build Contract Scheme in the selection of contractors that dispensed the consultation concept in the People’s Plan.
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## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>CA</td>
<td>Community Association</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<tr>
<td>DA</td>
<td>Department of Agriculture</td>
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<tr>
<td>DAR</td>
<td>Department of Agrarian Reform</td>
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<tr>
<td>DBM</td>
<td>Department of Budget and Management</td>
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<tr>
<td>DENR</td>
<td>Department of Environment and Natural Resources</td>
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<tr>
<td>DEPED</td>
<td>Department of Education</td>
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<tr>
<td>DILG</td>
<td>Department of Interior and Local Government</td>
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<tr>
<td>DOF</td>
<td>Department of Finance</td>
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<tr>
<td>DOH</td>
<td>Department of Health</td>
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<tr>
<td>DOLE</td>
<td>Department of Labor and Employment</td>
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<tr>
<td>DPWH</td>
<td>Department of Public Works and Highways</td>
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<tr>
<td>DSWD</td>
<td>Department of Social Welfare and Development</td>
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<tr>
<td>GPRA</td>
<td>Government Procurement Reform Act</td>
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<tr>
<td>HDH</td>
<td>High Density Housing</td>
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<td>HLURB</td>
<td>Housing and Land Use Regulatory Board</td>
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<td>HUDCC</td>
<td>Housing and Urban Development Coordinating Council</td>
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<td>ICRHP</td>
<td>In-City Resettlement Housing Program</td>
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<tr>
<td>IRR</td>
<td>Implementing Rules and Regulations</td>
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<td>ISF</td>
<td>Informal Settler Families</td>
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<td>ISF-NTWG</td>
<td>ISF-National Technical Working Group</td>
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<tr>
<td>JMC</td>
<td>Joint Memorandum Circular</td>
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<tr>
<td>LGU</td>
<td>Local Government Unit</td>
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<tr>
<td>LRB</td>
<td>Low-Rise Building</td>
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<tr>
<td>MMDA</td>
<td>Metropolitan Manila Development Authority</td>
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<tr>
<td>MMRB</td>
<td>Micro-Medium Rise Building</td>
</tr>
<tr>
<td>MRB</td>
<td>Medium-Rise Building</td>
</tr>
<tr>
<td>NAPC</td>
<td>National Anti-Poverty Commission</td>
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<td>NCR</td>
<td>National Capital Region or Metropolitan Manila</td>
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<tr>
<td>NGAs</td>
<td>National Government Agencies</td>
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<td>NHA</td>
<td>National Housing Authority</td>
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<tr>
<td>NUPSC</td>
<td>National Urban Poor Sectoral Council</td>
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<tr>
<td>PCUP</td>
<td>Philippine Commission for the Urban Poor</td>
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<tr>
<td>PRRC</td>
<td>Pasig River Rehabilitation Commission</td>
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<tr>
<td>RRAP</td>
<td>Relocation and Resettlement Action Plan</td>
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<td>SHFC</td>
<td>Social Housing Finance Corporation</td>
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<tr>
<td>TESDA</td>
<td>Technical Education and Skills Development Authority</td>
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<td>UDHA</td>
<td>Urban Development and Housing Act</td>
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</table>
October 12, 2017

Mr. Marcelino P. Escalada, Jr.
General Manager
National Housing Authority

Sir:

In line with its vision to become an enabling partner of government in ensuring a better life for every Filipino, the Commission on Audit (COA) conducted performance audits to help government agencies better perform their mandates and achieve program goals and objectives more economically, efficiently and effectively.

Pursuant to Section 2 (2), Article IX-D of the 1987 Constitution which vests COA the exclusive authority to define the scope of its audit and examination, and establish the techniques and methods required therefor, COA created audit teams to conduct performance audits on selected priority programs/projects of the government. COA has identified the In-City Resettlement Housing Program (ICRHP) of National Housing Authority (NHA) as one of the priority programs to be audited. The audit aimed to determine: (1) the program’s goals, objectives, and performance indicators; (2) the extent to which the ICRHP achieved its construction and resettlement goals and objectives; and (3) the factors affecting the program’s efforts to attain its targets.

In 2011, the Government allocated ₱50 billion for the 5-year Housing Program to relocate Informal Settler Families (ISFs) living along danger areas in Metro Manila.\(^1\) Out of this fund, ₱9.853 billion was allocated for the ICRHP of NHA for the construction of 16,748 permanent housing units by the end of 2016.\(^2\) The program shall adopt vertical development, with the construction of multi-storey buildings – from low-rise to medium-rise (2 to 5 storey walk-ups) prototypes to suit existing site conditions.\(^3\)

For purposes of this report, the audit focused only on the ICRHP implemented by NHA. The agency personnel provided us with briefing on the program.\(^4\) We conducted interviews and reviewed the agency’s accomplishment reports as of December 31, 2016 and the 2015 Annual Audit Report (AAR) in relation to the housing program. In order to come

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\(^1\) Operational Guidelines of ISF-NTWG No. 01, s. 2014 dated June 25, 2014.
\(^2\) See Php50B Projects Housing Program for ISFs living along Danger Areas as of December 31, 2016 (Briefing).
\(^3\) Section 4.1 of NHA Memorandum Circular (MC) No. 2420 dated March 17, 2012.
\(^4\) Conducted on January 18, 2017 with NCR-Area Management Office (AMO) being the focal person.
In City Resettlement Housing Program

up with comparative results, we reviewed the policies and guidelines\(^5\) issued by other implementing agencies\(^6\) together with their respective 2015 AARs. Further, we interviewed selected ISF beneficiaries relocated in the resettlement area\(^7\) to determine whether they are the intended beneficiaries of the program. Moreover, we conducted visual inspections to validate the existence of NHA housing projects with the assistance of the COA’s Technical Services Office (TSO).\(^8\) We determined that the data used in this report were sufficiently reliable to assess the status and condition of the ICRHP implemented by NHA.

We conducted the audit from January to June 2017 in accordance with the Fundamental Principles of Performance Auditing as embodied in the International Standards of Supreme Audit Institutions (ISSAI) 300. The standard requires that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RA No. 7279 also known as the “Urban Development and Housing Act (UDHA) of 1992” provides for a comprehensive and continuing urban development and housing program, and shall uplift the conditions of the underprivileged and homeless citizens\(^9\) in urban areas and in resettlement areas by making available to them decent housing at affordable cost with basic services, and employment opportunities.\(^10\)

In December 2010, the government decided to address the need to arrive at a resettlement program for ISFs.\(^11\) The Housing Program shall cover approximately 104,219 (see Figure 1) ISFs\(^12\) residing in danger areas\(^13\) which comprise almost 18% of ISFs in Metro Manila as of July 2011.\(^14\) The Program allocated ₱50 billion over a 5-year period until 2016\(^15\) for the relocation and resettlement of the identified ISFs living in danger

\(^5\) Such as the SHFC Corporate Circular, DILG Memorandum Circular and Memorandum of Agreement between DILG and DSWD for the Interim Shelter Fund (ISF) of ₱18,000 per family.
\(^6\) See Background, p. 4 and Appendix II: Oversight Bodies and Implementing Agencies.
\(^7\) See Interview Sheets/Questionnaires of selected ISFs.
\(^8\) See Visual/Ocular Inspection Report and Appendix V: Ocular Inspections of the In-City Housing Projects.
\(^9\) Underprivileged and homeless citizens as defined in Section 3 of RA No. 7279 otherwise known as the UDHA of 1992, refers to the beneficiaries and to individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the NEDA and who do not own housing facilities. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure.
\(^10\) Article 1, RA No. 7279.
\(^11\) People’s Plan, National Anti-Poverty Commission (NAPC).
\(^12\) Informal Settler Families (ISFs) refer to families living in housing units or facilities constructed in danger areas within the NCR.
\(^13\) Danger Areas as provided for in Section 28 of RA No. 7279 refer to the esteros, railroad tracks, garbage dumps, riverbanks, shorelines, waterways, and other public places such as sidewalks, roads, parks and playgrounds.
\(^14\) NHA MC No. 2420, Supra, p. 1, note 3, Section 3.1.
\(^15\) Operational Guidelines, Supra, p. 1, note 1.
areas in Metro Manila particularly those along waterways such as creeks, rivers and esteros. This was in line with the Ten-Point covenant of former President Benigno S. Aquino III with the Urban Poor, and in consideration with the Supreme Court Writ of Mandamus for government agencies concerned to undertake clean-up operations of the 3-meter easement of the Pasig River and its tributaries by 2015. ISFs living along the 3-meter waterway easement in the priority areas declared by the Department of Public Works and Highways (DPWH) will be entitled to the ₱18,000 Interim Shelter Fund family assistance. Department of Social Welfare and Development (DSWD) shall facilitate the disbursement of the shelter assistance according to its approved Implementing Rules and Regulations.

Figure 1: Demographical Distribution of ISFs Covered by the P50 Billion Housing Program

Source: NHA MC No. 2420 dated March 17, 2012

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16 NHA MC No. 2420, Supra, p. 1, note 3, Section 1.
17 Operational Guidelines, Supra, p. 1, note 1, Article I, Section 4, 2nd paragraph.
The 5-year Housing Program under the lead of the Department of Interior and Local Government (DILG)\(^{18}\) aims to provide a safe, affordable, and decent resettlement housing for ISFs living in danger areas.\(^{19}\) To implement the program, an inter-government agency – ISF-National Technical Working Group (ISF-NTWG)\(^{20}\) was created composed of a Project Management Office (PMO), which shall ensure the immediate implementation of the housing program, and three subcommittees: 1) the Social Preparation Committee which shall be composed of the Philippine Commission for the Urban Poor (PCUP) and National Anti-Poverty Commission (NAPC) to provide advice and assistance on activities relating to social preparation activities and to provide the necessary support in terms of organizing ISF beneficiaries; 2) the Site Selection and Evaluation Committee which shall be composed of the PCUP and Department of Environment and Natural Resources (DENR) to provide advice and assistance in the evaluation of resettlement area for suitability for housing development, taking into consideration environmental and geo-hazard risks; and 3) the Finance and Affordability Committee which shall be composed of the Department of Finance (DOF), NHA, Social Housing Finance Corporation (SHFC) and Housing and Urban Development Coordinating Council (HUDCC) to provide advice on appropriate financing and affordability scheme based on the assessment and analysis of capacity to pay of ISF beneficiaries.\(^{21}\) The housing program has four implementing agencies: 1) DSWD; 2) NHA; 3) SHFC; and 4) the Local Government Unit (LGUs).\(^{22}\) For timely, simplified, and inexpensive processing of People's Plans and securing of permits and licenses, a One-Stop Center was set up, which includes the three subcommittees of the ISF-NTWG.\(^{23}\)

### NHA Has Completed Only 52% or 8,644 of Its 16,748 Targeted Housing Units

As of December 31, 2016, the Authority's\(^{24}\) data show that, from a total target of 16,748 permanent housing units by the end of 2016, only 52% or 8,644 units have been completed, of which, only 5,457 units were ready for occupancy while the 29% or 4,876 housing units were under construction (see Figure 2). The remaining 19% or 3,228 housing units had not been started because the Authority had yet to issue the project proposals, start the bidding process or sign the contract.\(^{25}\) Moreover, significant time extensions have been identified ranging from 90-706 calendar days or 25%-261% of the original contract period.\(^{26}\) The

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\(^{18}\) Memorandum Order (MO) No. 57, s. 2013 dated August 02, 2013.

\(^{19}\) Operational Guidelines. *Supra*, p. 1, note 1, Article I, Section 1(a).

\(^{20}\) Joint Memorandum Circular (JMC) No. 1, s. 2013 dated April 2013, Prefatory Statement.

\(^{21}\) Operational Guidelines. *Supra*, p. 1, note 1, Article II, Sections 6 and 7.

\(^{22}\) JMC, *Supra*, note 20, Part III, Section 5.


\(^{24}\) The “Authority” mentioned in this Report refers to National Housing Authority or NHA.

\(^{25}\) See COA Analysis of Status of Construction of Housing Projects.

\(^{26}\) See COA Analysis of Significant Time Extensions Identified.
Authority was tied up to a budget-based system and was compromised to limit its annual target with the provided budget to the said Authority. Additionally, land acquisitions/identification for socialized housing also contributed to delays because local governments did not properly coordinate with the Authority in submitting the required reports on the inventory of land.

Figure 2: Status of Construction of NHA Housing Projects

Source: COA Analysis of NHA’s Status of Construction of the 16,748 housing units as of December 31, 2016

Construction of 16,748 Targeted Housing Units Not Accomplished by the End of 2016

The ICRHP aims to construct Low-Rise to Medium-Rise Buildings (LRBs/MRBs) in Metro Manila with a target of 16,748 permanent housing units to be constructed over the 5-year plan. The Authority adopted the vertical development for the implementation of its ICRHP due to scarcity of lands in the urban areas, with the construction of multi-storey buildings (2-5 storey walk-ups) prototypes to suit existing site conditions. The average cost incurred for the construction of each housing unit is 57% higher compared to off-city housing unit (see Table 1). We also found that the total average cost of ₱471,875 per housing unit exceeded the maximum cost of ₱450,000 set by the Coordinating Council for socialized housing projects of the government. Needless to say, this vertical development – LRBs/MRBs adopted in the implementation of the ICRHP is not provided in the Housing Act as it limits the definition of

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27 See NHA Report on In-City Resettlement under the Five-Year Housing Program for the ISFs living in Danger Areas in Metro Manila.
28 Socialized housing as provided for in Section 3 of RA No. 7279 refers to housing programs and projects covering houses and lots or homelots only undertaken by the Government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of the Act.
29 Briefing, Supra, p. 1, note 2, p. 21.
30 See Appendix III: In-City Resettlement Housing Program.
31 Ibid.
32 The “Coordinating Council” mentioned in this Report refers to Housing and Urban Development Coordinating Council or HUDCC.
33 HUDCC Resolution No.1, s. of 2013 dated October 16, 2013.
34 Appendix III, Supra, note 30.
35 The “Housing Act” mentioned in this Report refers to Republic Act No. 7279 also known as the “Urban Development and Housing Act (UDHA) of 1992”.

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socialized housing to house and lot or homelot only.\(^{36}\) This, in turn, is not considered as socialized housing, rather, it is a condominium type covered by different legislation.

### Table 1: Comparison of Average Cost per Housing Unit between In-City and Off-City

<table>
<thead>
<tr>
<th></th>
<th>In-City</th>
<th>Off-City</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2-Storey</td>
<td>3-Storey</td>
</tr>
<tr>
<td>UNTIL END OF 2014*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per Unit</td>
<td>295,000</td>
<td>392,000</td>
</tr>
<tr>
<td>STARTING 2015**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Cost per Unit</td>
<td>-</td>
<td>410,000</td>
</tr>
<tr>
<td>Total Average Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difference</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*In-City Average Cost is higher by 57%*

Source: *Annex E of MC No. 2420 dated March 12, 2012*

*NHA Board Resolution No. 5744 dated March 31, 2014*

On the other hand, the Authority set yearly targets based on the provided annual budget.\(^{37}\) Since the Authority did not receive any budget in 2012, no target housing units was set for the year. Review of reports submitted disclosed that as of December 31, 2016, the number of completed units were 5,248 or 75% for 2011 and 2,122 or 59% for 2013, while 100% or 1,274 units were completed in 2014 and none was completed for the targets of 1,008 and 3,858 units for 2015 and 2016, respectively. Collectively, only 52% or 8,644 of 16,748 planned housing units were completed (see Figure 3).

### Figure 3: ICRHP’s Target versus Accomplishment

Source: COA Analysis of NHA Annual Target and Accomplishment as of December 31, 2016

\(^{36}\) Housing Act, *Supra*, p. 2, note 10, Section 3(r).

\(^{37}\) See *NHA 5-Year Project Work Plan.*
As experienced by the Authority, project implementation of LRB/MRB projects reaches two years depending on the condition of the area. Preparation of LRB/MRB proposals and approval takes time not to mention the bidding process up to the approval of the Board for implementation.\(^{38}\) And yet, on the average, the Authority bid out its projects for only 349 calendar days which is actually less than a year (see Table 2). Existence of significant time extensions on the 22 out of 28 completed and on-going housing projects, delayed the completion of housing projects and ultimately, the relocation and resettlement of ISFs. According to the Authority, Contract Time Extensions are governed by guidelines stipulated in RA No. 9184 based on justifiable reasons such as inclement weather, limited workspace, and mobility considering that several contractors are undertaking simultaneous project implementation, ground condition, difficulty in the delivery of materials as a result of continuous repair of the city leading to the site and availability of water and power from private corporations.\(^{39}\)

### Table 2: Significant Time Extensions Identified

<table>
<thead>
<tr>
<th>Resettlement Site/Project Name</th>
<th>Contract Duration (in CD)</th>
<th>Time Extension (in CD)</th>
<th>% Increase in Contract Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Paradise Heights LRB*</td>
<td>270</td>
<td>706</td>
<td>261%</td>
</tr>
<tr>
<td>2 Navotaas 2*</td>
<td>240</td>
<td>548</td>
<td>228%</td>
</tr>
<tr>
<td>3 Fabella 1 Housing Project</td>
<td>240</td>
<td>540</td>
<td>225%</td>
</tr>
<tr>
<td>4 Disiplina Village, Site 1 Pkg 1*</td>
<td>270</td>
<td>508</td>
<td>188%</td>
</tr>
<tr>
<td>5 NGC1, Phase 4, Pkg 1 LRB*</td>
<td>360</td>
<td>617</td>
<td>171%</td>
</tr>
<tr>
<td>6 Disiplina Village, Site 1 Pkg 2</td>
<td>270</td>
<td>443</td>
<td>164%</td>
</tr>
<tr>
<td>7 Pleasant Hills Package 2</td>
<td>390</td>
<td>627</td>
<td>161%</td>
</tr>
<tr>
<td>8 Pleasant Hills Package 1*</td>
<td>360</td>
<td>516</td>
<td>143%</td>
</tr>
<tr>
<td>9 Malabon Homes 1 LRB*</td>
<td>300</td>
<td>373</td>
<td>124%</td>
</tr>
<tr>
<td>10 Pleasant Hills Package 3</td>
<td>420</td>
<td>460</td>
<td>110%</td>
</tr>
<tr>
<td>11 Manggahan Phase 1 LRB*</td>
<td>240</td>
<td>255</td>
<td>106%</td>
</tr>
<tr>
<td>12 NGC 2, Ph 4, Package 2 LRB</td>
<td>360</td>
<td>339</td>
<td>94%</td>
</tr>
<tr>
<td>13 Disiplina Village 2 (LGU)*</td>
<td>330</td>
<td>302</td>
<td>92%</td>
</tr>
<tr>
<td>14 Manggahan Phase 3 LRB</td>
<td>360</td>
<td>257</td>
<td>71%</td>
</tr>
<tr>
<td>15 Navotaas 1 (Tanza) (LGU)*</td>
<td>330</td>
<td>233</td>
<td>71%</td>
</tr>
<tr>
<td>16 Manggahan Phase 2 LRB</td>
<td>360</td>
<td>239</td>
<td>66%</td>
</tr>
<tr>
<td>17 Camarin Residences 4 LRB*</td>
<td>450</td>
<td>234</td>
<td>52%</td>
</tr>
<tr>
<td>18 Camarin Residences 2 LRB*</td>
<td>450</td>
<td>218</td>
<td>48%</td>
</tr>
<tr>
<td>19 Camarin Residences 3 LRB*</td>
<td>420</td>
<td>161</td>
<td>38%</td>
</tr>
<tr>
<td>20 Camarin 1 LRB*</td>
<td>540</td>
<td>147</td>
<td>27%</td>
</tr>
<tr>
<td>21 Tala 2 LRB*</td>
<td>360</td>
<td>90</td>
<td>25%</td>
</tr>
<tr>
<td>22 San Juan City*</td>
<td>360</td>
<td>90</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>349</strong></td>
<td><strong>359</strong></td>
<td><strong>113%</strong></td>
</tr>
</tbody>
</table>

* 15 projects evaluated by COA engineers

Source: COA Analysis of Project Time Extensions as of December 31, 2016

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\(^{38}\) See Management Comments (National Housing Authority) dated June 6, 2017, p. 8, item 6.2.

\(^{39}\) Ibid., item 6.3.
From the reported 22 projects shown in Table 2 having an average time extensions of 359 calendar days or 113% of the average original contract period, COA engineers evaluated only 15 projects with completed housing units and partially considered time extensions with an average of 215 calendar days.\textsuperscript{40} Time extensions/variation orders derived from unworkable weather site conditions, additional work items not included in the original contract, insufficient supplies of construction materials from nearby suppliers, on-going widening/excavation near the project site, and non-passable/silty areas within the project site were not considered due to validity of claim and absence of supporting documents.\textsuperscript{41} Consequently, all of the 15 projects evaluated were delayed by an average of 858 calendar days\textsuperscript{42} which could lead to the collection of liquidated damages from the contractors.\textsuperscript{43}

Similarly, COA engineers found several deficiencies/non-compliance in the actual implementation of the project for some items based on the Authority’s required Building Construction Specifications for ISFs living along danger areas in Metro Manila in which the Authority failed to observe. On the average, 12 out of the 15 projects evaluated did not meet the technical construction specifications in terms of painting the interior of the room, toilet & bathroom (ceiling and party walls), and installation of steel casement windows with grills, wall-hung lavatory, under counter cabinet, and smoke detector.\textsuperscript{44}

Furthermore, COA found that 6 out of 15 projects evaluated such as Camarin 2, Camarin 3, Camarin 4, Disiplina Village Site 1, Pkg. 1, Malabon Homes 1, and NGC 2, Ph 4, Pkg. 2 cannot be tagged as completed per Statement of Work Accomplished (SWA) due to the pending release of Condominium Certificate of Titles (CCTs) from the Registry of Deeds and undergoing finishing works.\textsuperscript{45} In effect, turnover of the projects to the Authority could not be done due to the delay in the submission of the CCTs for the individual housing units.

\textsuperscript{40} See COA Analysis of Time Extensions, Delay and Accomplishment.
\textsuperscript{41} See COA Technical Inspection Report, Vol. 1-5.
\textsuperscript{42} Time Extensions, Supra, note 40.
\textsuperscript{43} Technical Inspection, Supra, note 41.
\textsuperscript{44} See COA Analysis of Technical Specifications.
\textsuperscript{45} See Status of In-City Resettlement Housing Program as of December 31, 2016.
The Policy Guidelines\textsuperscript{46} states that the Program is undertaken mainly through on-site\textsuperscript{47}, near-city\textsuperscript{48}, and in-city\textsuperscript{49} relocation in accordance with People’s Plan\textsuperscript{50} in which the affected ISFs will be adequately and genuinely consulted\textsuperscript{51}. Off-sites\textsuperscript{52} shall only be resorted to in accordance with the People’s Plans after adequate and genuine consultation, or when directly requested by the affected ISFs themselves.\textsuperscript{53} Our review revealed that only 17% or 16,748 housing units were planned by the Authority for the In-City Resettlement out of the total 101,210\textsuperscript{54} housing units to be constructed (see Figure 4). According to the Authority, there are limited land in the urban areas available for development to accommodate in-city resettlement. Also, LGUs do not submit inventory of available land as basis for possible resettlement site.\textsuperscript{55} Some LGUs have identified sites for development but these were not compliant with the site selection criteria set by the Authority or too costly for the government to acquire and develop.\textsuperscript{56}

\textsuperscript{46} Policy Guidelines mentioned in this Report refers to the Joint Memorandum Circular (JMC) No. 1, s. 2013 dated April 2013.  
\textsuperscript{47} On-Site refers to a site developed within the area where the ISFs are currently living which is outside the boundaries of the required three (3)-meter legal easements as mandated by law, and subject to approval through legal, technical, and environmental assessment.  
\textsuperscript{48} Near-City refers to a relocation site in a city other than the city of the present settlements of the ISFs. Provided, however, said relocation site is adjacent the present settlements of the ISFs and within NCR.  
\textsuperscript{49} In-City refers to a relocation site within the jurisdiction of the city where the ISFs are living.  
\textsuperscript{50} People’s Plan is formed by People’s Organizations, with or without the support of NGOs or NGAs, and refers to a community development plan, having undergone a process of consultation with and endorsement by the beneficiaries, which contains a site development plan and may include non-physical development such as livelihood, self-help development, and capability building trainings, among others.  
\textsuperscript{51} Adequate and Genuine Consultation refers to the standard of consultation according to Section 9 of the CHR Advisory on the Right to Adequate Housing and Humane Treatment of Informal Settlers.  
\textsuperscript{52} Off-City/Off-Site refers to a relocation site developed outside the NCR.  
\textsuperscript{53} JMC, \textit{Supra}, p. 4, note 20, Part I, Section 1.  
\textsuperscript{54} Out of the 104, 219 identified ISFs covered by the ₱50B Housing Program of the Government, only 101,210 has been identified by NHA for its Housing Projects catered for ISFs living along danger areas as reported in its Status of the ₱50B Housing Projects as of December 31, 2016.  
\textsuperscript{55} Briefing, \textit{Supra}, p. 1, note 2, p. 21.  
\textsuperscript{56} Management Comments, \textit{Supra}, p. 7, note 38, item 5.3, 3\textsuperscript{rd} paragraph, last sentence.
In-city and near-city resettlement have been the priority and major approach of the Authority to housing development given its inherent advantages. All regional resettlement projects of the Authority outside Metro Manila are in-city/near-city. In Metro Manila, however, off-city resettlement was only resorted when the in-city and near-city resettlement projects were not feasible. Further, off-city resettlement was adopted as a parallel approach considering such factors as the availability of affordable or suitable lands for socialized housing in the Metropolis, the magnitude of families to be relocated, the urgency for relocation of ISFs along danger areas and those affected by funded government infrastructure projects, as well as the limited government financial resources including subsidies required to implement the program.\(^{57}\) As mentioned, poor coordination of local governments in the submission of inventory of land, particularly, in-city properties prevented the Authority to prioritize in-city resettlement over off-city. Hence, the Authority utilized its existing inventory and adopted the off-city in order to produce units since the DPWH needed the waterway areas to be cleared.\(^{58}\) As a result, the program’s goal of prioritizing the in-city relocation and resettlement was compromised.

NHA MC No. 2420 provides that Estate management functions shall be undertaken by either the LGU or the Authority depending on land ownership. If the land is owned by the Authority, estate management may be undertaken for a specific period subject to eventual turnover to the LGU.\(^{59}\)

Inspection of 9 out of 10 completed housing projects disclosed that several materials attached to the housing units were stolen, walls were vandalized and with unclean surroundings (see Figure 5). These were due to lack of security personnel deployed in the area since only two to three security guards are manning the entire property with an average of 440 housing units per project.

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\(^{57}\) Management Comments, Supra, p. 7, note 38, item 3.1, 2\(^{nd}\) paragraph.

\(^{58}\) Ibid., item 3.4, 1\(^{st}\) and 2\(^{nd}\) sentences.

\(^{59}\) NHA MC No. 2420, Supra, p. 1, note 3, Section 6.5(a).
Property/Building management was not undertaken properly on the constructed housing units, thus additional cost will be incurred for the repair and maintenance of the housing units.

The total number of ISFs relocated under this program was only 3,656 which accounts for only 22% of the 16,748 identified ISFs (see Figure 6). Low occupancy rates resulted from three key factors: (1) the program had no timeframes for resettling families after the units were constructed, (2) most of the families did not submit required documents and (3) families preferred lower monthly payments for off-city housing units than the more expensive in-city housing units. Meanwhile, the Coordinating Council did not update the centralized registration system, hence, no validation and profiling of ISF beneficiaries. As a result, some ISFs availed housing units twice while other non-beneficiaries benefited from the program.
Figure 6: Status of Relocation and Resettlement of the Identified ISF Beneficiaries

Source: COA Analysis of NHA’s Relocation and Resettlement of the 16,748 Identified ISFs as of December 31, 2016

RA No. 7279 provides that within two (2) years from its effectivity, the LGU, in coordination with the Authority, shall implement the relocation and resettlement of persons living in danger areas.\(^{60}\) According to the Authority, this provision was not undertaken by the concerned LGUs which resulted in the proliferation of ISF colonies in the Metropolis.\(^{61}\)

Our analysis of the available data shows that the Authority relocated and resettled only 22% or 3,656 qualified ISF beneficiaries out of the 16,748 identified ISFs to their new homes at the end of the five-year term. Thus, completed housing units that remained unoccupied totaled 4,988 housing units. We also examined the accomplishment report as of December 31, 2016, and found that three completed housing projects (Tala Phase 2, Pleasant Hills Package 1 and Navotaas 2) consisting of 1,260 housing units combined have been idle and unoccupied for 1-3 years.\(^{62}\) We were informed through interview of officials responsible for managing the construction of the housing units and resettlement of ISFs that these 3 projects were unoccupied due to the following circumstances: (1) for Tala Project, the intended beneficiaries opted to avail the off-city relocation; (2) for Pleasant Hills 1, Sewage Treatment Plant (STP) is not yet installed, and (3) for Navotaas 2, additional requirement for Drug Testing was imposed by the LGU. Additional issues affecting the relocation and resettlement are: (1) the voluntary mode of relocation wherein the Authority cannot force the affected ISFs to immediately transfer to the completed housing units; (2) the Authority cannot determine as to who issues the Notice of Demolition causing gridlocks in the relocation process; (3) no communication signals in terms of directives/instructions from the ISF-NTWG to harmonize the respective activities of the implementing agencies; and (4) delayed power and water connections from private utility companies made it hard for the Authority to enforce the relocation process as these connections take time to be processed.\(^{63}\) Moreover, inquiries from the Authority’s Project Offices revealed that a number of the completed housing units were not yet ready for occupancy.

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\(^{60}\) Housing Act, Supra, p. 2, note 10, Section 29.
\(^{61}\) Management Comments, Supra, p. 7, note 38, p. 9, item 8.1.
\(^{62}\) Ocular Inspection, Supra, p. 2, note 8.
\(^{63}\) See Minutes of Exit Conference.
due to pending release of CCT from Registry of Deeds, ongoing construction of perimeter fence, and awaiting approval on the design of the fire protection system. During the conduct of ISF-NTWG meetings, the issue of low occupancy due to voluntary mode of relocation was always presented by the Authority to reach a resolution that will address the said issue. To date, no action has been done by the ISF-NTWG including the issue on the signatory of the Eviction Notice.  

Further, we found that concerned agencies failed to establish specific timeframes or period within which to relocate and resettle the identified ISF beneficiaries to the housing units the moment these were completed. The Authority’s activities, in particular, were based on the Relocation and Resettlement Action Plan (RRAP) formulated by the Local Inter-Agency Committee (LIAC) of the participating LGUs. Also, ISFs/applicants find it difficult or even refuse to submit various documentary requirements such as noted Sworn Application to Purchase Lot/Unit (SAPL) due to financial constraint, Birth Certificates as some of them do not have the said document and proof of income like Income Tax Return (ITR), Certification of Employment with Compensation or Affidavit of Income. Likewise, average monthly payment for in-city housing units is 227% higher compared to off-city units (see Table 3). These confluence of factors contributed to the low occupancy rate and non-attainment of the program’s goals and objectives.

### Table 3: Comparison of Monthly Payments between MRBs in In-City and House & Lot in Off-City

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>IN-CITY</th>
<th>OFF-CITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5th Floor</td>
<td>4th Floor</td>
</tr>
<tr>
<td>1-5</td>
<td>600.00</td>
<td>700.00</td>
</tr>
<tr>
<td>6-10</td>
<td>1,300.00</td>
<td>1,350.00</td>
</tr>
<tr>
<td>11-15</td>
<td>2,000.00</td>
<td>2,100.00</td>
</tr>
<tr>
<td>16-20</td>
<td>2,800.00</td>
<td>3,100.00</td>
</tr>
<tr>
<td>21-25</td>
<td>3,800.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td>26-30</td>
<td>4,800.00</td>
<td>4,900.00</td>
</tr>
<tr>
<td>Last Payment</td>
<td>5,986.52</td>
<td>5,135.46</td>
</tr>
<tr>
<td>AVERAGE (a)</td>
<td>3,243.02</td>
<td>23-24</td>
</tr>
<tr>
<td>Last Payment</td>
<td>25-30</td>
<td>1,330.00</td>
</tr>
<tr>
<td>AVERAGE (b)</td>
<td></td>
<td>992.22</td>
</tr>
<tr>
<td>DIFFERENCE (a-b)</td>
<td></td>
<td>2,250.80</td>
</tr>
</tbody>
</table>

In-City Monthly Payment is higher by 227%

Source: COA Analysis on Monthly Payments under MRBs in ICRHP and House and Lot in Off-City

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65 *Relocation and Resettlement Action Plan (RRAP)* refers to a relocation and resettlement plan that underwent a process of consultation with government and non-government stakeholders and the affected families or parties. The formulation of RRAP aims to identify immediate, medium and even long-term targets, resources, integrate or synchronize institutional arrangements to ensure a well-coordinated and timely relocation, delivery of services, facilities, and management of resettlement projects.


The Housing Act provides the registration of socialized housing beneficiaries and mandates the Coordinating Council, in coordination with the local government units to design a system for the registration of qualified program beneficiaries. The LGU, within one (1) year from the effectivity of the Housing Act, shall identify and register all beneficiaries in their respective localities.\textsuperscript{68} NHA MC No. 2561, on the other hand, provides that the households included in the tagging and census validation will undergo biometric registration and socio-economic survey for ISF data profiling.\textsuperscript{69} Identification of program beneficiaries previously awarded with homelots or housing units by the Government could not be done due to absence of updated centralized ISF beneficiaries’ database covering all government housing programs. Moreover, biometric registration was not initiated for identified program beneficiaries although the Authority has established procedure to determine eligibility of qualified beneficiaries. It conducted pre-qualification of families/households to be included in a census, subject to the established “eligibility criteria”.\textsuperscript{70} COA Audit Report on SHFC for 2015 disclosed the absence of database that resulted to double availment of housing units by beneficiaries.\textsuperscript{71}

To validate the propriety of data provided, we randomly interviewed occupants/awardees of the housing units on selected 8 completed housing projects. We learned that occupants of one housing project were mostly fire victims who were considered ISFs but were not previously living in the identified priority waterways, hence, were just given special accommodation by the LGU. Also, ISFs affected by the demolition/dismantling of structures in the area to be used as resettlement site were not the intended beneficiaries, but were approved by the DILG/LGU to occupy the constructed housing units.\textsuperscript{72} These situations are challenges to the uniform and consistent application of the policies and guidelines among implementing agencies. Without an updated centralized database, government implementing agencies may not be able to determine the full eligibility of potential beneficiaries; mitigate the risk of possible double availment of housing units by individuals that have been previously awarded with housing privilege under other government housing programs; and monitor and evaluate the outcome of the program.

\textsuperscript{68} Housing Act, \textit{Supra}, p. 2, note 10, Section 17.
\textsuperscript{69} See NHA MC No. 2561 dated September 12, 2013, Article III, Section 3.2.
\textsuperscript{70} See Appendix IV: Identification and Selection of ISF Beneficiaries.
\textsuperscript{71} Item 7 of \textit{SHFC 2015 AAR}.
\textsuperscript{72} Ocular Inspection, \textit{Supra}, p. 2, note 8.
Deficiencies in the Planning Process, Poor Coordination and Overlap of Inter-Agency Functions

There are several factors that hindered the Authority’s efforts to attain its targets. First, there are deficiencies in the planning process. In particular, the program’s Policy Guidelines and its Implementing Rules and Regulations (IRR) were not promulgated until 2-3 years after the program began in 2011. Second, poor coordination among concerned agencies resulted to adoption of fragmented and independent schemes in carrying out the Housing Program. Lastly, inter-agency functions overlap with the respective roles and responsibilities of the four implementing agencies which were not properly defined nor aligned with their respective mandates.

It was in December 2010 that the government decided to address the need to arrive at a resettlement program for ISFs. In November 2011, the government allocated ₱50 billion for a 5-year Housing Program and released the initial amount of ₱10 billion to the Authority sourced from the Development Acceleration Program (DAP) Fund. Out of which, ₱4.089 billion was obligated and utilized starting 2011 until 2014, for the construction of 6,986 housing units under the ICRHP. However, we noted that there was delay in the formulation of the Policy Guidelines and its IRR which were issued only in April 2013 and June 2014, respectively (see Figure 7). This was due to the gap created from the original proposal of former DILG Secretary in 2011 to the change in leadership of the DILG in 2012, thus, creating discontinuity in leadership as far as policy direction in the implementation of the Housing Program is concerned. The Program was not formally established until 2013 when the new DILG Secretary was directed under Memorandum Order No. 57 issued by the Office of the President, to spearhead the transfer of ISFs living along danger areas.

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73 IRR refers to the Operational Guidelines of ISF-NTWG No. 01, s. 2014 dated June 25, 2014.
74 From the 1st ₱10B released SARO in 2011, only ₱8.71B was utilized/obligated as a result of the Supreme Court ruling on DAP on July 1, 2014. See Matrix of Fund Allocation, Target & Accomplishment (Off-City & In-City) as of December 31, 2016 and Management Comments (National Housing Authority) dated June 6, 2017, p.1, item 1.1.
75 See Letter of former DILG Secretary dated August 19, 2011.
76 MO No. 57, Supra, p. 4, note 18.
Furthermore, the ISF-NTWG failed to come up with a 5-Year Project Plan which shall serve as guide of implementing agencies in coming up with their respective targets. Consequently, the Authority had set its own yearly targets for the ICRHP based on the annual budget provided by the DBM as early as 2011 vis-à-vis the availability of land to be used as project site. 77 A yearly Work Program was formulated by the Authority starting 2012 to 2016 in support of the ₱50 billion Housing Program.

77 Project Work Plan, Supra, p. 6, note 37.
In-City Resettlement Housing Program

despite the fact that there was no ISF-NTWG’s 5-Year Project Plan. In addition, the Authority had to resort in using its properties since some LGUs do not have available sites for in-city housing. This process, however, is not in accordance with the Policy Guidelines wherein implementing agencies are required to submit project proposals/program of works to the DILG-PMO, which in turn will submit to DBM the corresponding funding requests.

As a reiteration, the Policy Guidelines clearly states that the Program is undertaken mainly through on-site, near-city, and in-city relocation in accordance with People’s Plan in which the affected ISFs will be adequately and genuinely consulted. Off-sites shall only be resorted to in accordance with the People’s Plans after adequate and genuine consultation, or when directly requested by the affected ISFs themselves. In contrast, NHA MC No. 2420 provides that the Design and Build Contract is adopted for the design and construction of the multi-storey buildings including the land development works in order to fast track the implementation of the ICRHP.

The Authority did not realign and reconcile the inconsistent provisions with regard to the Design and Build Contract scheme under NHA MC No. 2420 which was issued in March 2012 ahead of the program’s Policy Guidelines and its IRR which were issued only in April 2013 and June 2014, respectively, wherein the concept of the People’s Plan was already considered. The Authority did not fully recognize the People’s Plan initiated by Community Associations (CAs)/People’s Organization (POs) as only 2 out of 36 housing projects adopted the People’s Plan. This still remains to be a challenge because there are no specific implementing rules formulated by the DILG-PMO for the implementation of the said People’s Plan. The absence of the said guidelines/document for People’s Plan triggered the Authority to adopt the Design and Build Scheme as provided in RA No. 9184 and the Board-approved mode of procurement, which is the Community Initiative Approach (CIA) for the Green Archer and Betterlife Projects both located in Parañaque City.

The CIA allows the selection of developers by the affected community association registered by HLURB based on the criteria set by NHA MC No. 2518 pursuant to Board Resolution No. 5517 dated November 19, 2012. According to the Authority, they have also embarked in “community participation” initiatives but not absolute, as there is no well-defined and acceptable definition of the term “consultation” in terms of the CAs’ extent of participation in the housing

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78 Management Comments, Supra, p. 7, note 38, p. 1, 3rd section, 1st paragraph, 1st sentence.
79 Ibid., p. 1, 3rd section, 2nd paragraph, 2nd sentence.
80 JMC, Supra, p. 4, note 20, Part III: Project Management.
81 JMC, Supra, p. 4, note 20, Part I, Section 1.
82 NHA MC No. 2420, Supra, p. 1, note 3, Section 7.1.
83 People’s Organization refers to an independent community and/or sector-based organization or association established to protect and advance their common interests.
84 Community Initiative Approach (CIA) on the People’s Plan initiated by the CAs is a financing scheme on the acquisition of land, land development, and/or completed units in the implementation of housing program for ISFs by NHA. This is covered by MC No. 2518 pursuant to Board Resolution No. 5517 dated November 19, 2012.
85 Management Comments, Supra, p. 7, note 38, p. 2, item 2.2, 1st paragraph.
86 Ibid., item 2.4.
In-City Resettlement Housing Program

It has long adopted the “People Planning Process” Community Initiative Approach including the social preparation aspect in all of its housing programs. However, our review disclosed that the remaining 34 housing projects of the Authority adopted the Design and Build Contract Scheme which undergone Public Bidding but dispensed the concept of People’s Plan. Thus, the needs of the ISFs were not properly identified and assessed under the Design and Build Contract Scheme before the housing units were constructed. In contrast, the projects under the People’s Plan did not undergo Public Bidding on the selection of contractors/developers in the construction of housing units. Hence, the concept of People’s Plan in relation to the selection of contractors/developers lacks transparency and competitiveness. These inconsistent practices were attributed to identified deficiencies in the planning process which delayed the formulation of the Policy Guidelines without specific implementing rules for People’s Plan.

The Policy Guidelines issued by the ISF-NTWG does not contain well-coordinated roles and responsibilities of the implementing agencies as well as uniform procedures and criteria on (i) People’s Plan Adoption (ii) Beneficiary Selection and Validation, and (iii) Selling Prices and Payment Terms which are necessary in the implementation of the Housing Program.

Moreover, review of the selection of ISFs revealed that the implementing agencies identify and cater their own ISF beneficiaries and at the same time adopt different pricing models in the disposition of their respective housing units. For the Authority, a total of 101,210 out of the 104,219 identified ISFs covered by the ₱50 billion Housing Program of the Government have been identified for its in-city and off-city resettlement housing projects. The Authority adopted differential pricing for the sale/lease of each housing unit under the ICRHP ranging from ₱400,000 to ₱500,000 with interest rates varying from 4.5% to 6.5% for a maximum period of thirty (30) years. In contrast, both SHFC and LGUs cater the same target of ISFs for their respective housing programs. SHFC extends a maximum amount of loan to a community member under the HDH Program of ₱400,000 but was later increased to ₱450,000. The

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87 Ibid., item 3.1, 1st paragraph, 2nd sentence.
88 COA Analysis of Status of Construction, Supra, p. 4, note 25.
89 Appendix III, Supra, p. 5, note 30.
92 Briefing, Supra, p. 1, note 2.
93 Appendix III, Supra, p. 5, note 30.
94 SHFC CC No. 13-026, note 90, Section 5.2.
95 HUDCC Resolution No.1, s. of 2013 dated October 16, 2013.
interest rate is 4.5% per annum for the same maximum period of 30
years.\(^{96}\) As for the LGUs, given the enormous scale of the housing
problem, they are to leverage more funds and resources for their MMRB
projects by linking up with other government agencies, foundations,
church-based organizations, and private funding sources.\(^{97}\) They have to
develop an exit strategy considering that shelter support is linked to
livelihood. After a sufficient period determined by the LGU from shelter
provision, the household beneficiary will be assessed whether or not they
need further livelihood training, technical assistance or other support
intervention.\(^{98}\) These resulted in differing cost models, separate
identification of ISF beneficiaries, and non-coordination among assigned
implementing agencies.

Under the Policy Guidelines, the DILG was designated as the head of the
ISF-NTWG having an advisory and assistant function over the PMO,\(^{99}\)
which will liaise and facilitate the implementation of the program with
concerned agencies.\(^{100}\) This is inconsistent with the Housing Act which
mandated HUDCC to be the sole lead agency in the implementation of
the government shelter/housing programs and has the responsibility to
coordinate and monitor the activities of all government housing agencies,
including local government units, to ensure the attainment of the goals of
the government’s housing program.\(^{101}\) Hence, it is evident that there is a
structural defect by which the ISF-NTWG was organized because the
technical expertise and mandate of the the Coordinating Council was not
tapped in the implementation of the Housing Program.

Likewise, the specific responsibilities given to the implementing agencies
were not aligned with their mandate such as when the DILG, as the lead
agency, transferred ₱350 million fund to DSWD in 2014, for the
construction of MMRB which is not within the mandate of the latter.
Besides, DSWD has no available land to be used as site for the MMRB.\(^{102}\)
As a consequence, the fund was returned by DSWD to DILG and was
reverted to the Bureau of Treasury (BTr) in 2015. On September 28,
2016, SHFC received from DILG another ₱350 million fund for the same
purpose which the former invested to Land Bank of the Philippines (LBP)
under a High Yield Savings Account (HYSA).\(^{103}\) However, there was no
Trust Agreement (TA) between DILG and SHFC as regards to
the management of the ₱350 million fund. With respect to the so-called
shelter fund, a Memorandum of Agreement (MOA)\(^{104}\) was executed
between DILG and DSWD in which the latter shall facilitate the
disbursement of the ₱18,000 Interim Shelter Fund/family assistance for
ISFs living along the 3-meter waterway easement in the priority areas
declared by DPWH\(^{105}\). However, the LGUs, NHA, and SHFC were also
given the responsibility to disburse the ₱18,000 interim shelter fund.\(^{106}\) A

\(^{96}\) SHFC CC No. 13-026, *Supra*, p. 18, note 90, Section 5.3.
\(^{97}\) DILG MC No. 2015-56, *Supra*, p. 18, note 91, Article III, Part C.
\(^{98}\) Ibid., Article XII, 1st par., 1st and 3rd sentences.
\(^{100}\) Ibid., Item 3(a).
\(^{101}\) Executive order No. 20 dated May 28, 2001, Section 1.
\(^{102}\) DILG 2015 Consolidated Annual Audit Report (CAAR), Items 1.9 and 1.10.
\(^{103}\) SHFC 2016 Annual Audit Report, Items 1.6 and 1.7.
\(^{104}\) MOA between DILG and DSWD dated August 1, 2014.
\(^{105}\) DILG 2015 CAAR, *Supra*, note 102, Item 1.16.
\(^{106}\) Ibid., item 1.17.
MOA between NHA and DILG was signed on June 13, 2016 for the disbursement of the total fund equivalent to ₱270 million for 15,000 ISFs and an administrative cost of ₱8 million. The Authority started disbursing the funds to qualified beneficiaries in December 2016 after Management’s approval of the Authority’s implementing guidelines in coordination with DILG. As of December 31, 2016, a total amount of ₱4.762 million was paid to 264 ISFs.

On the other hand, the functions of the created One-Stop Center under the Policy Guidelines, overlap with those of the existing Socialized Housing One-Stop Processing Center (SHOPC) which was established under Executive Order (EO) No. 184 dated August 1994. SHOPC was created in every administrative region and composed of representatives from the Coordinating Council, Housing and Land Use Regulatory Board (HLURB), Department of Agrarian Reform (DAR), DENR, Department of Agriculture (DA) and DILG to facilitate the processing and issuance of permits, clearances, certifications and licenses appropriate and necessary for the implementation of socialized housing projects. However, according to the Authority, said EO was not implemented nor the subcommittees created in lieu of the SHOPC was fully operationalized. This is a clear manifestation that there is no complete staff work reviewing the existing issuances and guidelines resulting to overlap of inter-agency functions.

The DILG was directed to spearhead the 5-year Housing Program which aims to provide a safe, affordable, and decent resettlement housing for ISFs living in danger areas particularly those along waterways such as creeks, rivers and esteros. However, it is the Coordinating Council which is mandated as the sole lead agency in the implementation of the government shelter/housing programs. Evidently, deficiencies in the planning process, poor coordination and overlap of inter-agency functions contributed to the fair performance of the government’s housing program for ISFs living in danger areas.

It was in December 2010 that the government decided to address the need to arrive at a resettlement program for ISFs living in danger areas in Metro Manila. However, the Policy Guidelines to implement the program was formulated only in April 2013 and the related IRR was issued only in June 2014. Due to the delay in the formulation of the Policy Guidelines, the Authority issued its implementing guidelines for the ICRHP one (1) year earlier than the Policy Guidelines considering that the budget was already provided as early as 2011. The Authority was tied up to a budget-based system and was compromised to limit its annual target with the budget provided to the Authority. Additionally, land acquisitions for socialized housing were not properly identified due to the non-submission by LGUs of the report on the inventory of land for possible resettlement sites.

107 Item 2.1.1 of MOA between DILG and NHA dated June 13, 2016.
110 Section 1, Executive Order No. 184 dated August 23, 1994.
111 Ibid.
112 Management Comments, Supra, p. 7, note 38, p. 5, 2nd section.

Conclusions
Furthermore, the Authority adopted vertical development in the implementation of its ICRHP due to scarcity of lands in the urban areas, with the construction of multi-storey buildings – usually from low-rise to medium-rise (2 to 5 storey walk-ups) prototypes to suit existing site conditions. Needless to say, this vertical development – LRBs/MRBs adopted in the implementation of the ICRHP is not provided in the Housing Act as it limits the definition of socialized housing to house and lot or homelot only. On the other hand, the Policy Guidelines provides that the Housing Program shall be undertaken mainly through on-site, near-city, and in-city relocation in accordance with the People’s Plan in which the affected ISFs will be adequately and genuinely consulted. Inspite of this, the concept of People’s Plan initiated by CAs remains to be a challenge in the Authority as the DILG-PMO miscarried to formulate and issue the specific guidelines for the proper implementation of the said People’s Plan.

As of December 31, 2016, the Authority has completed only 8,644 or 52% of its targeted housing units while 3,656 or 22% of the 16,748 identified ISFs has been relocated. COA engineers found several deficiencies/non-compliance in the actual implementation of the project for some items based on the Authority’s required Building Construction Specifications for ISFs living along danger areas in Metro Manila in which the Authority failed to observe. Existence of significant time extensions delayed the completion of housing projects and ultimately, the relocation and resettlement of ISFs. Also, absence of specific timeframe within which the ISFs are to be relocated from the date of completion of the units, submission of various documentary requirements, and higher monthly payments for in-city housing units compared to off-city contributed to the low occupancy of completed units. Meanwhile, no updated centralized registration was initiated for ISF beneficiaries, hence, double availment of housing units and accommodation of non-beneficiaries in the program existed, waning the efforts of the government in providing decent housing for ISFs living in danger areas.

**Recommendations**

To build upon the National Government’s housing efforts to uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to them decent housing at affordable cost with basic services and employment opportunities, we recommend that the DILG ISF-NTWG harmonize the roles and responsibilities of concerned agencies under the Program to their respective mandates in order to address the gaps in the planning and implementation of the resettlement and relocation of ISFs. Also, DILG-PMO should formulate and issue specific guidelines for the implementation of the People’s Plan in order to address certain issues related to the extent of participation of the CAs in the Housing Program and at the same time, align it with the provisions of RA No. 9184 particularly in the area of selection of the contractor/developer to promote transparency and competitiveness. Meanwhile, the Coordinating Council, in coordination with key shelter agencies should update the centralized database for ISFs beneficiaries detailing an inventory of ISFs and incorporate the mapping of all ISFs already relocated to socialized housing to prevent/avoid double availment of housing units. Finally, the Authority, in particular, should put in place a comprehensive planning and systematic monitoring to properly address new and existing implementation gaps. It should align its existing guidelines to the overall
Policy Guidelines and the related IRR of the Housing Program to establish proper coordination with other implementing agencies, and to ensure uniformity of implementation of the housing program.

Agency Comments

We provided a draft of this report to the Management of NHA for review and comment. NHA provided a written response and concurred with the message and recommendation in this report. Written copy of NHA comments were reproduced in Appendix VI.

If you or your staffs have any questions about this report, please contact me at (02) 952-5700 local 2022 or abjuliano@coa.gov.ph. Contact points for our Performance Audit Office may be found on the last page of this report. Major contributors to this report are listed in Appendix VII.

In addition, the report will be available at no charge on the COA website at http://www.coa.gov.ph.

ALEXANDER B. JULIANO  
Assistant Commissioner  
Special Services Sector
Appendix I: Objectives, Scope, and Methodology

COA has conducted performance audits to help government agencies better perform their mandates and achieve program goals and objectives more economically, efficiently and effectively. It identified the In-City Resettlement Housing Program of the National Housing Authority as one of the priority programs, which will be audited. Accordingly, the team’s audit focus was only directed to the ICRHP implemented by the Authority. The audit aimed to determine: (1) the program’s goals, objectives, and performance indicators; (2) the extent to which the ICRHP achieved its construction and resettlement goals and objectives; and (3) the factors affecting the program’s efforts to attain its targets.

To identify the goals, objectives, and performance indicators of the In-City Resettlement Housing Program, we collected, reviewed, and analyzed documents such as relevant laws, rules, and regulations governing the Housing Program. In addition, we analyzed different agencies’ implementing guidelines, Memorandum of Agreements between implementing agencies, previously reported COA Annual Audit Reports and budget issuances relevant to the Program. To facilitate our understanding on the Program’s goals and objectives, we had a thorough briefing with NHA-NCR, Area Management Office (AMO) handling the ICRHP.

Likewise, to determine the program’s accomplishment, we used data as of December 31, 2016. We also interviewed and obtained information from DILG, NHA, SHFC, DSWD, MMDA and DBM. Moreover, visual inspections were conducted from March 09 to April 05, 2017 to validate the existence of the Authority’s housing projects with the assistance of the COA’s Technical Services Office.

Also, we obtained and reviewed key documents, including guidelines relative to the process of resettlement, requests for information (ISFs masterlist), inter-agency agreements, and other relevant newspaper articles to assess the extent of relocation of the ISFs. In addition, we interviewed key agency officials and ISF beneficiaries to determine the factors affecting the low occupancy rate. We identified implementing agencies’ initiatives/activities in relation to the relocation process to determine the extent to which these reflect active inter-agency collaboration. In order to assess the affordability issue as one of the factors affecting the low occupancy, we evaluated the Authority’s amortization schedule under the In-City Resettlement Housing Program and compared it with the Off-City Housing Program.

We also determined whether the data provided to us and used in this report were sufficiently reliable to assess the status and condition of the ICRHP implemented by the Authority.

We conducted this performance audit from January 2017 to June 2017 in accordance with the Fundamental Principles of Performance Auditing as embodied in the International Standards of Supreme Audit Institutions (ISSAI) 300. The standard requires that we plan and perform the audit to
Appendix I: Objectives, Scope, and Methodology

obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Appendix II: Oversight Bodies and Implementing Agencies

To implement the program, an inter-government agency – ISF-NTWG (see Figure 8) was created in compliance to the President’s December 23, 2010 directive under the lead of the Department of the Interior and Local Government (DILG) spearheaded by its Secretary\textsuperscript{113} to ensure safe and flood-resilient permanent housing solutions for ISFs living in danger areas of NCR.\textsuperscript{114} The ISF-NTWG includes the DBM, DSWD, DOF, DENR, NAPC, PCUP, HUDCC, NHA, SHFC, DPWH, MMDA, NUPSC, CSO, DOH, DepED, DOLE, TESDA, PRRC and other support agencies as members.\textsuperscript{115}

**Figure 8: Hierarchical Structure of Oversight Bodies and Implementing Agencies**

It is composed of a Project Management Office (PMO) which shall ensure the immediate implementation of the housing program, and three (3) subcommittees, namely: 1) the Social Preparation Committee which shall be composed of the PCUP and NAPC and shall provide advice and assistance on activities relating to social preparation activities and to provide the necessary support in terms of organizing ISF beneficiaries;

\textsuperscript{113} MO. No. 57, Supra, p. 4, note 18.
\textsuperscript{114} JMC, Supra, p. 4, note 20.
\textsuperscript{115} Operational Guidelines, Supra, p. 1, note 1, Art. II, Sec. 6.
Appendix II: Oversight Bodies and Implementing Agencies

2) the Site Selection and Evaluation Committee which shall be composed of the PCUP and DENR and shall provide advice and assistance in the evaluation of resettlement area for suitability for housing development, taking into consideration environmental and geo-hazard risks; and 3) the Finance and Affordability Committee which shall be composed of the DOF, NHA, SHFC and HUDCC, and shall provide advice on appropriate financing and affordability scheme based on the assessment and analysis of capacity to pay of ISF beneficiaries.  

For timely, simplified, and inexpensive processing of People’s Plans, a one-stop center shall be set up, which shall include the 3 subcommittees of the ISF-NTWG. It shall provide enabling support for the technical assistance and implementation of the People’s Plan housing projects. It shall also address, but is not limited to, government clearances, social preparation, site selection, financial affordability, and the evaluation of People’s Plans.

The Housing Program has four (4) implementing agencies: 1) DSWD; 2) NHA; 3) SHFC; and 4) LGUs. Each local government units where the program will be implemented shall organize the LIAC being chaired by the Chairman of the Local Housing Board (LHB). The LIAC shall serve as the venue for consultation and coordination with the communities, NGOs and other concerned agencies. The said committee or LIAC shall formulate project-specific guidelines for beneficiary selection and other appropriate guidelines based on approved program policies.

On the other hand, the LHB refers to the local special body devoted in addressing shelter concerns in the formulation, development and implementation of a comprehensive and integrated housing and land development program of the LGU. It serves as the sole clearing house for eviction and demolition activities concerning informal settlers in danger areas, public places and government projects headed by the City Mayor or the Municipal Mayor as the case maybe. In addition, there shall be a Local Project Management Team (LPMT) – created thru the LHB in each locality, which shall be the direct implementer of the project, and shall include NGAs, concerned LGUs, CSOs, and stakeholders. The concerned LGU shall likewise establish its Local Housing Office (LHO) to serve as the implementing arm of its LHB. Furthermore, a Beneficiary Selection, Awards and Arbitration Committee (BSAAC) to be headed by the designated LGU Officer shall be created at the LIAC to ensure that the housing units or house

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116 Operational Guidelines, Supra, p. 1, note 1, Article II, Section 6.
117 JMC, Supra, p. 4, note 20, Part III, Section 6.
118 Ibid., Part III, Section 5.
119 Operational Guidelines, Supra, p. 1, note 1 Article II, Section 8.
120 NHA MC No. 2420, Supra, p. 1, note 3, Section 3.6.
121 Operational Guidelines, Supra, p. 1, note 1 Article I, Section 5(g).
123 DILG MC No. 2015-56, Supra, p. 18, note 91, Article IV, Section A.4.
124 JMC, Supra, p. 4, note 20, Part III, Section 4.
125 DILG MC No. 2015-56, Supra, p. 18, note 91, Article IV, Section B(5)(d).
Appendix II: Oversight Bodies and Implementing Agencies

The Authority shall organize a Secretariat to provide technical assistance and administrative support to the BSAAC.¹²⁷

¹²⁶ Operational Guidelines, Supra, p. 1, note 1, Article III, Section 13, 2nd paragraph.
¹²⁷ NHA MC No. 2561, Supra, p. 14, note 69, Article V, Section 5.3, last paragraph.
Appendix III: In-City Resettlement Housing Program

Figure 9: Number of ISFs Identified for In-City Resettlement

Under the In-City Resettlement Housing Program of the Authority, 16,748\(^{128}\) (see Figure 9) out of the 104,219 ISFs were identified as priority for relocation in high density urban areas of the National Capital Region. The Program shall adopt vertical development, with the construction of multi-storey buildings – usually from low-rise to medium-rise (2 to 5 storey walk-ups) prototypes to suit existing site conditions.\(^{129}\) Land shall be provided by the LGU or NHA under a usufruct arrangement.\(^{130}\) The pro-indiviso usufruct on land shall be for a period of thirty (30) years, renewable for an additional twenty (20) years.\(^{131}\) The Design and Build Contract is adopted for the design and construction of the multi-storey buildings including the land development works in order to fast track the implementation of the In-City Resettlement Housing Program. Said Contract shall be governed by the Guidelines for the Procurement and Implementation of Contracts for Design and Build Infrastructure Project under RA No. 9184 otherwise known as “the Government Procurement Reform Act”.\(^{132}\) Under the Design and Build Projects, the procuring entity awards a single contract for the architectural/engineering design and construction to a single firm, partnership, corporation, joint venture, or consortium.\(^{133}\) For the construction, the minimum floor area of each unit shall not be lower than 24 square meters.\(^{134}\) On the other hand, the maximum cost allocation per family/household shall be ₱400,000 to cover the cost of the land, land development and housing construction.\(^{135}\) However, the resulting high construction cost for each housing unit has prompted the

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\(^{128}\) Project Work Plan, Supra, p. 6, note 37.
\(^{129}\) NHA MC No. 2420, Supra, p. 1, note 3.
\(^{130}\) Ibid., Footnote, Annex A.
\(^{131}\) Section 5.5 of NHA MC No. 2645 dated August 07, 2014.
\(^{132}\) NHA MC No. 2420, Supra, p. 1, note 3, Section 7.1.
\(^{133}\) Section 4.d., Annex G of the Revised IRR of RA No. 9184.
\(^{134}\) NHA MC No. 2420, Supra, p. 1, note 3, Section 6.2.a.
\(^{135}\) Article III, Item 3.1 of NHA MC No. 2451 dated July 10, 2012.
adoption of highly concessional terms to increase the socialized housing price ceiling to ₱450,000\textsuperscript{136}.

Community facilities and community support programs and services shall be provided/implemented by LGUs and/or other participating institutions.\textsuperscript{137} Estate management functions shall be undertaken by either the Local Government or the Authority depending on land ownership. If the land is owned by the Authority, estate management maybe undertaken for a specific period subject to eventual turnover to the LGU.\textsuperscript{138} Estate management functions such as building maintenance, collection and auxiliary services (cleaning of common areas, waste disposal, minor repairs, lighting of common areas, etc.) may be undertaken by the LGU/CSO/HOA or by private providers. For CSO-initiated projects, the CSO shall be responsible for the above enumerated estate management functions. The CSO may opt for a transition management by LGUs to establish the required organizational structure and to provide capacity building training to said CSOs.\textsuperscript{139}

Housing units under this program shall be disposed through any of the following modes: (i) long-term lease, (ii) cash or installment sale, or (iii) lease with option to purchase.\textsuperscript{140} For the disposition of each housing unit, differential pricing shall be adopted as shown in Table 4 with the corresponding interest rates per annum.

### Table 4: Differential Pricing and the Related Interest Rates

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>SELLING PRICE PER UNIT</th>
<th>BASE</th>
<th>INTEREST RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5\textsuperscript{th} Floor</td>
<td>₱400,000.00</td>
<td>₱400,000.00</td>
<td>4.50%</td>
</tr>
<tr>
<td>4\textsuperscript{th} Floor</td>
<td>425,000.00</td>
<td>425,000.00</td>
<td>4.50%</td>
</tr>
<tr>
<td>3\textsuperscript{rd} Floor</td>
<td>450,000.00</td>
<td>450,000.00</td>
<td>4.50%</td>
</tr>
<tr>
<td>2\textsuperscript{nd} Floor</td>
<td>475,000.00</td>
<td>1\textsuperscript{st} 450,000.00</td>
<td>4.50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Next 25,000.00</td>
<td>6.50%</td>
</tr>
<tr>
<td>Ground Floor</td>
<td>500,000.00</td>
<td>1\textsuperscript{st} 450,000.00</td>
<td>4.50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Next 50,000.00</td>
<td>6.50%</td>
</tr>
</tbody>
</table>

Source: Sections 4 and 5 of NHA MC No. 2645 dated August 07, 2014

The maximum repayment period shall be thirty (30) years subject to the age limit of 70 years. Buyers/beneficiaries who are over 65 years old may purchase the property through outright sale or for a maximum period of

\textsuperscript{136} HUDCC Res. No. 01, Supra, p. 5, note 33.
\textsuperscript{137} NHA MC No. 2451, Supra, p. 28, note 135, Article III, Item 3.7.
\textsuperscript{138} NHA MC No. 2420, Supra, p. 1, note 3, Section 6.5.a.
\textsuperscript{139} NHA MC No. 2561, Supra, p. 14, note 69, Article IX, Section 9.2, 2\textsuperscript{nd} par, 2\textsuperscript{nd} sentence.
\textsuperscript{140} Ibid., Article VIII, Section 8.1.1.
five (5) years. The monthly amortization shall be on escalating basis as shown in Table 5.

Table 5: Schedule of Pricing and Amortization of a 5-Storey Building

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>5th Floor</th>
<th>4th Floor</th>
<th>3rd Floor</th>
<th>2nd Floor</th>
<th>Ground Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>SELLING PRICE</td>
<td>₱ 400,000.00</td>
<td>₱ 425,000.00</td>
<td>₱ 450,000.00</td>
<td>₱ 475,000.00</td>
<td>₱ 500,000.00</td>
</tr>
<tr>
<td>YEAR</td>
<td>AMORTIZATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>600.00</td>
<td>700.00</td>
<td>800.00</td>
<td>900.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td>6-10</td>
<td>1,300.00</td>
<td>1,350.00</td>
<td>1,400.00</td>
<td>1,500.00</td>
<td>1,700.00</td>
</tr>
<tr>
<td>11-15</td>
<td>2,000.00</td>
<td>2,100.00</td>
<td>2,200.00</td>
<td>2,500.00</td>
<td>2,700.00</td>
</tr>
<tr>
<td>16-20</td>
<td>2,800.00</td>
<td>3,100.00</td>
<td>3,200.00</td>
<td>3,300.00</td>
<td>3,350.00</td>
</tr>
<tr>
<td>21-25</td>
<td>3,800.00</td>
<td>4,000.00</td>
<td>4,400.00</td>
<td>4,500.00</td>
<td>4,550.00</td>
</tr>
<tr>
<td>26-30</td>
<td>4,800.00</td>
<td>4,900.00</td>
<td>5,000.00</td>
<td>5,100.00</td>
<td>5,150.00</td>
</tr>
<tr>
<td>Last Payment*</td>
<td>5,986.52</td>
<td>5,135.46</td>
<td>8,517.22</td>
<td>2,678.74</td>
<td>6,487.70</td>
</tr>
</tbody>
</table>

*Last Payment is made on the 12th month of the 30th year

Source: Annex A of NHA MC No. 2645 dated August 07, 2014

The first monthly amortization shall take effect after three (3) months from the execution of contract.\(^{141}\) Downpayment is not required while the unit allocation shall be based on the buyers/beneficiaries’ capacity to pay.\(^{142}\)

\(^{141}\) NHA MC No. 2645, \textit{Supra}, p. 28, note 131, Section 5.2, item D.

\(^{142}\) \textit{Ibid.}, Sections 5.3 and 5.4.
Appendix IV: Identification and Selection of ISF Beneficiaries

To identify the ISFs to be included in permanent housing solutions, beneficiaries who will receive assistance will go through a process of mandatory registration and validation, such as biometrics, to come up with an official masterlist that will serve as basis for generating more accurate socio-economic profile of the affected ISFs. These profiles will be advantageous in the development of affordability schemes and other financial housing assistance.¹⁴³

Figure 10: Overview of the Beneficiary Selection Process

Source: COA Analysis of NHA MC No. 2561 dated September 12, 2013

The Authority established a procedure to determine the eligibility of the qualified ISF beneficiaries under the housing program comprising various stages: (1) prioritization, (2) census verification, (3) pre-qualification and approval, and (4) awarding of housing units (see Figure 10).

The prioritization of areas for clearing within each city/municipality in Metro Manila shall be determined by MMDA, DPWH, DILG and LGUs and shall consider the following: (i) level of risk to families/households residing in areas identified for clearing, (ii) priorities under the national government’s flood control and waterways projects and other danger areas, and (iii) relocation plans of concerned LGUs under their respective shelter plans.¹⁴⁴ As a general rule, prioritization of ISFs/households for relocation shall be undertaken by the project proponent in consultation with concerned LGUs, NGAs and CSOs.¹⁴⁵ Additionally, in the census verification stage, the Authority shall conduct official census or validation of families/households and tagging of structures in identified danger areas for purposes of identifying potential beneficiaries under the program. Households included in the tagging and census validation will undergo biometric registration and socio-economic survey for ISF data profiling. The Census Master List (CML) of Families/ Households shall be the basic reference for determining program beneficiaries.¹⁴⁶

¹⁴³ JMC, Supra, p. 4, note 20, Part I, Section 4.
¹⁴⁴ NHA MC No. 2561, Supra, p. 14, note 69, Article I, Section 1.1.
¹⁴⁵ Ibid., Article II, Section 2.1.
¹⁴⁶ Ibid., Article III.
Appendix IV: Identification and Selection of ISF Beneficiaries

To qualify as a beneficiary under the program, the family/household (HH) head must meet the following criteria: (a) must be a Filipino citizen and of legal age; (b) must be an underprivileged and homeless citizen; (c) must not have been a beneficiary of any government housing project or housing assistance program; (d) must not be a professional squatter or a member of squatting syndicates; (e) must be included in the CML of Families/ Households in Danger Areas; and (f) must meet a minimum and continuous residency requirement of six (6) months prior to the conduct of census of families/households. In addition to not meeting the qualification criteria, the following shall also be used as bases for disqualification of families/households for government housing program: (a) non-residency which includes absentee structure owner and families/households not residing in the area 6 months prior to actual relocation; (b) defiance to lawful order such as undertaking illegal construction/s during or after the census; and (c) misrepresentation constituting any of the following acts (i) one who uses a dummy or allows himself to be used as a dummy for purposes of acquiring housing assistance, (ii) one who allows the use of his structural tag card in favor of other persons and vice-versa, and (iii) one who submits tampered or spurious documents or who provides misleading information to qualify for the program.

The Authority through the Project Office shall generate the CML of Families/Households per designated area in each LGU and provide copies to the BSAAC. The same shall be posted in conspicuous places in the affected area/community for validation on the correctness or accuracy of the census data entries. The BSAAC shall indorse families/households to the Authority for pre-qualification, the results of which will be the basis for the preparation of the final List of Qualified Families/Households for relocation and resettlement assistance. The BSAAC shall indorse for the approval of the Authority’s General Manager, the Final List of Qualified and/or Disqualified Families/Households for relocation and resettlement assistance. An Entry Pass is issued to qualified household heads scheduled for relocation as basis for acceptance to the new housing project. As for those who chose not to avail of the government resettlement assistance and opted to return to their province, a Balik-Probinsya Program is offered and they are referred to the LGU’s Social Welfare Office. The said program provides transportation assistance and subsistence allowance to families/households.

147 NHA MC No. 2561, Supra, p. 14, note 69, Article V, Section 5.1.
148 Absentee Structure Owner refers to households not occupying the house/dwelling unit at the time of the census or has ceased to occupy the house for at least six (6) months prior to the census.
149 Ibid., Article V, Section 5.2.
150 Ibid., Section 5.5.
151 Ibid., Article VI, Section 6.5.
152 Ibid., Article VII, Section 7.1.8.
Appendix IV: Identification and Selection of ISF Beneficiaries

Award of housing units to qualified families/households shall be undertaken by NHA for NHA-owned and administered projects and NHA/CSO for CSO-initiated projects financed by NHA or by the LGU for LGU-owned projects.\(^{153}\) Qualified families/households shall be evaluated based on their affordability levels vis-à-vis approved monthly rental or amortization payments as basis for award of a housing unit. For specific projects, where the number of units is less than the qualified families, a raffle shall be conducted to determine the awardees.\(^{154}\) Lease or sale contracts shall be executed between the NHA/LGU and the beneficiaries in accordance with the project tenurial arrangement, selling prices/rental rates and terms of payment.\(^{155}\) Said contracts shall be signed by the beneficiaries at the point of origin prior to relocation and occupancy of the unit. Failure to sign said contracts shall be a cause for cancellation of award.\(^{156}\)

\(^{153}\) *Ibid.*, Article VIII, Section 8.1.2.

\(^{154}\) *Ibid.*, Section 8.1.3.

\(^{155}\) NHA MC No. 2561, *Supra*, p. 14, note 69, Article VIII, Section 8.1.4.

\(^{156}\) *Ibid.*, Section 8.1.5.
Appendix V: Ocular Inspections of the In-City Housing Projects

Completed Projects

NAVOTAAS 1, NAVOTAS CITY

ST. JOSEPH, SAN JUAN CITY

TALA 2, CALOOCAN CITY

DISIPLINA VILLAGE 2, VALENZUELA CITY
Appendix V: Ocular Inspections of the In-City Housing Projects

CAMARIN 1, CALOOCAN CITY

DISIPLINA VILLAGE SITE 1, PKG 1, VALENZUELA CITY

PARADISE HEIGHTS, TONDO, MANILA
Appendix V: Ocular Inspections of the In-City Housing Projects

PLEASANT HILLS PKG 1, SAN JOSE DEL MONTE, BULACAN

NAVOTAAS 2, NAVOTAS CITY

NGC PHASE 4, PKG 1, QUEZON CITY
Appendix V: Ocular Inspections of the In-City Housing Projects

MALABON HOMES 1, MALABON CITY

MANGGAHAN PHASE 1, PASIG CITY

BETTERLIFE, LAS PIÑAS CITY
Appendix V: Ocular Inspections of the In-City Housing Projects

Ongoing Projects

CAMARIN 2, CALOOCAN CITY

CAMARIN 3, CALOOCAN CITY

CAMARIN 4, CALOOCAN CITY
Appendix VI: Management Comments (National Housing Authority)

Office of the President
NATIONAL HOUSING AUTHORITY

04 September 2017

EMELITA R. QUIRANTE
Director IV
Performance Audit Office
Commission on Audit
Commonwealth Ave, Quezon City

Subject : Draft Performance Audit Report Entitled “Poor Coordination Among Key Agencies Prevented NHA from Achieving Its Relocation Resettlement Goals”

Dear Dir. Quirante:

After careful review of the draft Performance Audit Report, the Management has approved the report since it was acknowledged that the ISF – National Technical Working Group (NTWG) failed to harmonize the roles and responsibilities of concerned agencies to their respective mandates to address the gaps in the planning and implementation of the resettlement and relocation of the identified Informal Settler Families (ISFs), which is the major concern of the Authority.

Further, we are grateful for the inclusion on the report of the written comments submitted even though it was submitted after the exit conference.

We look forward to work with you again in the future. Thank you.

Very truly yours,

MARCELINO P. ESCALADA, JR.
General Manager
Appendix VII: COA Contact and Staff Acknowledgments

COA Contact
Alexander B. Juliano (Assistant Commissioner), (02) 952-5700 local 2022 or abjuliano@coa.gov.ph

Staff Acknowledgments
In addition to the contact named above, Emelita R. Quirante (Director IV), Michael L. Racelis (Director III), Elma P. Reverente (Team Supervisor), supervised the audit and the development of the report. Ruby L. Caballes (Audit Team Leader), Engr. Owen Kim S. Monter (Team Leader - Technical Aspect), Engr. Renato M. Genoguin (Co-Team Leader - Technical Aspect), Jeremy A. Maceda, Janine Joy M. Ilagan, Mariann U. Ceripulo, Engr. Rody G. Fonacier, Engr. Benn-Anthony A. Soriano, and Engr. Allan P. Guillermo (All Team Members) made key contributions to this report.