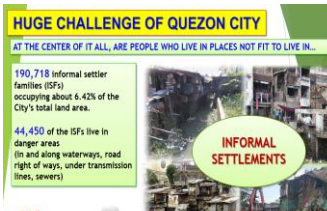


Good morning/afternoon to our distinguished organizers from the Global Forum on Human Settlements (GFHS) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the Global One Belt One Road Association (GOBA) and the Better City Institute (BCI), my fellow mayors and colleagues in government service, partners in the private sector, and other stakeholders.

Our program is a response to the Sustainable Development Goal 11 which embodies a commitment to make cities and human settlements inclusive, safe, resilient and sustainable. It is also a response to a challenge that many cities have, that is, the problems on informal settlements.

Out of the Quezon City's land area of 161 square kilometers, an aggregate area of 6% are occupied by informal settlers. We have about 190,718 informal settler families (or ISFs) of which about 44,450 families live in danger areas (which means in and along waterways, road right of ways, under transmission lines and above aqueduct right-of-ways).

Most of us are familiar with slums and the various social and economic issues that go along with it. We know that the problem of squatting demands immediate, wide-impact solutions. But the solutions are not easy, especially given the scale of the challenge that the city faces. There is no real metro-wide socialized housing program, except for that provided by our National Housing Authority. In fact, an average of 3,000 ISFs who lived along waterways in Quezon City have been resettled in NHA housing projects since



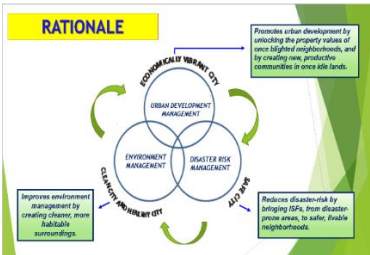
2009. But we know that NHA, faced with a huge national housing demand, can only help Quezon City in a limited way.

That is why we developed a housing program in the scale that we have now. We had to tackle the problems of:

- Affordability
- Access to financing by the poor
- Availability of land within the city
- Large resource requirement to develop well-organized housing communities
- Sustainability of the program, because the last thing we need after all that effort is a return to the slums.



Our dream is to create slum-free communities. We cannot attain that 100%, but we can do that one blighted area at a time. We, in government service, also have the responsibility to resettle the poor out of danger areas. They are our target beneficiaries. We cannot provide homes for all the homeless residents of the city, because the sheer number thereof would eat up all our resources; and we do not aim to do so because that would encourage squatting. But we are working to provide safer homes for the poor who live in areas at risk to floods and earthquakes.



We are addressing the problem of affordability by keeping land and housing construction costs down to the ceiling price set by HUDCC for socialized housing, which is Php 450,000, being the package cost for land and dwelling unit. For land acquisition to be viable, it must cost Php 3,500 per square meter or less. For property owners whose lands have been squatted for

years, even decades, they agree to lower the market price, rather than get nothing at all for the land.

Land development must range only from Php 1,600 to Php 2,000.00 per square meter. Construction costs of each dwelling unit must only be within the range of Php 300,000 to Php 330,000 per unit. Phinma, our partner developer for Housing Project 2 or Bistekville 2, has agreed to be paid for constructed dwelling units, only upon takeout of the units. So the LGU does not have to advance the construction costs.

We have managed to keep costs down to Php 440,000 maximum. With the Php 10,000 equity provided by beneficiaries as cost of utilities, such as water and electricity connections, and documentation costs for the loan takeouts and titling.

Our financing packages are of three types:

- One is thru Pag-IBIG Fund, with 3.0% and 6.375% interest
- Two is thru the Socialized Housing Finance Corporation’s High-Density Housing Program, at 4.5% interest and graduated monthly amortizations
- Three is the LGU’s In-House Financing, for those who do not qualify for either the Pag-IBIG or SHFC.

FINANCING SCHEMES Available	
Package Price	Php 450,000.00
Leasehold	Php 10,000.00 (for refundance expenses - Materials, Supplies, Amortization, Salary, Certified True Copy, etc.)
Leasehold amount	Php 460,000.00
Payment Period (Max.)	20 Years
Age Limit (Min.)	20 Year Old
THRU PAG-IBIG FUND	
FOR MEMBERS ONLY	
Interest Rate	2.5% - (for Monthly Income of Php 15,000 & below)
	3.375% - (for Monthly Income of above Php 15,000)
Mo. Amort. for 20 years	Php 2,833.00 (at 2.5% interest, incl. AGI & FPA)
	Php 2,740.00 (at 3.375% interest, incl. AGI & FPA)
THRU SHFC OF SHFC	
FOR OFP in WATERWAYS / DANGER AREA ONLY	
Interest Rate	4.5% (Fixed from Php 50 Million SHFC Fund)
Mo. Amortization	Php 1,222.00 during 1 st year, with an increase of 10% until the 1 st year
	Php 1,741.70 from 1 st year until the 10 th year (Exclusive of AGI and Fire Insurance)
THRU IN-HOUSE FINANCING	
FOR OFP in WATERWAYS / DANGER AREA ONLY (Limited to Socialized Program)	
Interest Rate	5.5%
Mo. Amortization	Php 1,500 during 1 st year, with an increase of 10% until the 1 st year
	Php 2,000.00 from 1 st year until the 10 th year (Exclusive of AGI and Fire Insurance)

Those who cannot afford to pay thru any of these 3 financing options are being referred to NHA off-city resettlement projects.

We are doing our best to maintain our collection efficiency rate at 100% - that is why we establish a beneficiaries' Accounts Management and Monitoring Unit at the Housing Department dedicated in monitoring all amortizations, including those due to Pag-IBIG and SHFC, at least for the first 2 years. We also insist that all beneficiaries attend the estate management seminar before moving in, so that they are aware of, and will comply with all obligations.

Of our 44 Housing Projects under various stages of development, all are in-city and 36 are onsite. This is one of our strategies for social inclusion; we must take care of our own. Onsite relocation is very difficult because of the denseness of squatted areas. We also have to deal with syndicates and the resistance of those renting out units and those making money out of the ISFs. It's very difficult! But this is the only way we can reduce blight in the city, and minimize dislocation of families.

Another problem that we tackled at the outset was the generation of the large amount of funds needed to develop new housing communities. In 2011, we began imposing the idle land tax and the socialized housing tax. We encountered a lot of political backlash for this. But the funds generated, which is about Php 400 million a year, is making possible the program we have today. Add to this the Php 700 million we collect from direct sale and Bistekville Projects, which are deposited in a Special Account dedicated to housing. We expect to generate about Php 800 million a year, including the payments for the amortized units, which will enable our LGU to construct 2,000 housing units annually.

SOCIALIZED HOUSING FUND GENERATION

1. SOCIALIZED HOUSING TAX (Ordinance No. SP-2095 S-2011) : **± Php 200 Million / year**
- Five Year Collection Period (2011 - 2016)
- 0.5% tax on the Assessed Value of all lands in excess of One Hundred Thousand (Php100,000)
Legal Basis : Section 43, Article XI of RA 7279

2. IDLE LAND TAX : **± Php 180 Million / year**
- 3% tax on the Assessed Value of all Idle Lands located along National Roads
- 1% tax on the Assessed Value of all Idle Lands located in other areas
Legal Basis: as provided for in Section 236 of the Local Government Code of 1991

3. COLLECTION from DIRECT SALE: **± Php 20 Million / year**

Creation of A SOCIALIZED HOUSING SPECIAL ACCOUNT under Ordinance No. SP-2226 S-2013.
All proceeds collected under the Quezon City Housing Programs such as CMP, Direct Sale, Socialized Housing Tax, Idle Land Tax, etc. are all deposited in this special account to be utilized solely for Socialized Housing purposes.

TOTAL COLLECTION (September 2013 - September 2018) : **Php 700 Million**
(Proceeds collected under Direct Sale & Bistekville Projects)

We have institutionalized the organizational units responsible for this program:

- The Local Housing Board, composed of POs, NGOs and government agencies, formulates housing and resettlement policies.
- The Urban Poor Affairs Office was upgraded into the Housing, Community Development and Resettlement Department or HCDRD, and is the key implementer of the program.
- The Task Force on Socialized Housing and Blighted Areas coordinates the participation of all the city departments and operating units involved in housing; this includes engineering, social services, planning and development and special design.

HOUSING STRUCTURES Created

QC-LGU OPERATING BODIES FOR THE PROGRAM:

LOCAL HOUSING BOARD is composed of representatives of peoples organizations, non-government organizations and government agencies, was organized to formulate housing and resettlement related policies.

THE TASK FORCE ON SOCIALIZED HOUSING AND DEVELOPMENT OF BLIGHTED AREAS was created to direct and coordinate multi department participation on housing and community development related activities: (engineering, social services, planning and development, housing and resettlement)

URBAN POOR AFFAIRS OFFICE was upgraded to **HOUSING, COMMUNITY DEVELOPMENT AND RESETTLEMENT DEPARTMENT (HCDRD)**, serves as key implementor of the City's socialized housing program. (Ordinance No. SP-2129, S- 2012).

Because our aim is to upgrade the living conditions of the beneficiaries, our site development plan provides for large breathable spaces, at the average 30% of the land is allotted as open spaces for the development of circulatory, parks and community facilities. After all, this is an exercise not only in building homes, but in building up lives. And, rest assured that Quezon City will continue its support and commitment to sustainable Human Settlements for all.