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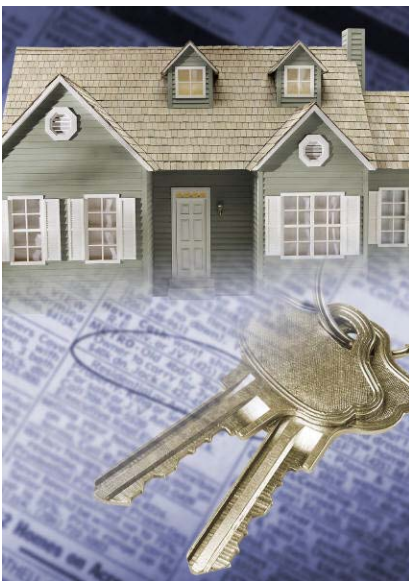
JF & YP Exchange

An Official Newsletter Publication of the Young Professionals' Program in the Philippines – Visayas & Mindanao Chapter

Theme For This Issue:

Localizing Housing Finance

Localizing Housing Finance: The Urban Poor Development Fund



The demand for financial resources is one of the most critical components in social housing provision. Its generation naturally would result to increased housing delivery. Unfortunately, the access of poor households to such financial resources is severely limited by their inability to pay for the regular amortization requirement. Several schemes have been initiated with varying degrees of success. Primarily, the main financial mechanism is through the PAG-IBIG Home Development Mutual Fund (HDMF). As this is targeted for the formal housing sector, it provides access only to regular income earners or to those who could afford. The cost of Social Housing Programs under the PAG-IBIG HDMF is still beyond the capacity of very poor families to pay.

The National Government's direct housing provision through the National Housing Authority (NHA) is not significant due to its limited coverage that serves only a small number of poor households due to the limited government resources. Even the effectiveness of the National Housing Finance Corporation (SHFC) has been severely affected by concerns on the tendency to be accessed by big formal housing sector developers resulting to wrong targeting. In the same manner, while there are housing programs initiated by non-profit foundations such as those of the Gawad Kalinga and Habitat for Humanity, the same limitations on financial constraints still result to limited household coverage.

(Continued on page 2 & 3)

(from page 1 on Localizing Housing Finance...)

The main mechanism that is pursued by the Government and assisted by other private/non-profit foundations is the Community Mortgage Program (CMP). The CMP is the only program considered as functional and the cheapest mechanism in providing land tenure security and access benefiting the informal settlers. The Community Mortgage Program (CMP) seeks to facilitate access by low-income groups to land and credit and is the fruit of collaboration between community-based organizations, non-governmental organizations and the government. Social organizations find land for sale on the private market, they develop their proposal and gain access to credit. However, CMP is saddled with a lot of problems particularly cash-flow. In the past, particularly in 2001, CMP was receiving an annual congressional allocation of 500M. From 2002 to 2007, the said yearly allocation has been declining. It should also be underscored that throughout the years, CMP's role in addressing housing backlog is limited to a mechanism rather than a system.

Once the ownership and land tenure security have been achieved by such mechanism benefiting the informal settlers, market forces temptation is inevitable. These informal settlers-turned-into-amortizing-owners have the tendency to sell both their rights and legal ownership over the occupied housing plots or sub-lots to better-off markets. Better-off markets are enjoying the subsidized acquired properties in terms of long-term economic benefits and other advantages, hence, creating wrong subsidy targeting. Such scenario doesn't address housing backlog and thus perpetuates the vicious cycle of homelessness.

(more on page 3)

News Feature:

JFLFI/YP Collaboration with the Episcopal Church of the Philippines for ICEB Utilization

In view of the thrust of the JF Ledesma Foundation, Inc. and the Young Professionals Network for the nation-wide expansion of the Interlocking Earth Blocks (ICEB), a collaboration with the Episcopal Church of the Philippines (ECP) was established for the utilization of the ICEB technology on its different building and structural requirements.

Crucial activities were conducted in this regard. In March of 2009, four personnel from the Development Office of the ECP came to JFLFI Office for preliminary visit and ocular check of the ICEB production and application. During the visit, a decision was made to make an environmental scanning of the sources of earth materials in the Mountain Province to see if these materials are feasible for ICEB production.

The Environmental scanning was scheduled on March 29-31, 2009. Three Officers of JFLFI and YP went on the said date to Bontoc, Mountain Province where several soil samples were brought from the different areas of the province. With the environmental scanning successfully conducted wherein five soil samples were found as possible materials, a full training of selected individuals from the ECP were scheduled on April 23-27 in San Carlos City. 🌟



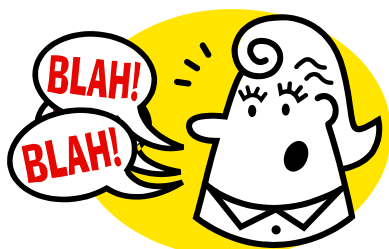
(from page 1&2 on Localizing Housing Finance...)

An alternative system that is currently gaining ground is the establishment of the Urban Poor Development Fund (UPDF). The system starts with the formation of the HOA Member Savings (HOMS). This shall be the members' savings portfolio required to enable the HOA member, in consolidation with the Collective Portfolio Account (CoLPA) of the HomeOwners Association, the financial leverage and access to Funds intended for individual housing construction or upgrading such as improvements on house infrastructure and/or improvements on unit utilities, facilities and other living conditions. In order to allow the access to funds available for financing, a HOA member (usually representing a family unit) who intends effect a unit-shelter upgrading should maintain a savings account equivalent to at least 20% of the loanable amount. The Collective Portfolio Account (CoLPA) representing the collective contributions of HOA members shall be established for the purpose of providing the Association financial leverage and access the UPDF City-wide Chapter Fund. The UPDF city-wide fund shall be a consolidation of the contributions from the Collective Portfolio Account of involved HomeOwners Associations in the City, Corporate Social Responsibility contributions of private corporations, allocated Internal Revenue Allotment (IRA) fund for housing, and philanthropic donations.

Quote for this issue:

"This initiative is critical to helping working families maintain access to affordable rental housing and homeownership in tough economic times –

Timothy F. Geithner"



Got Something To Say?

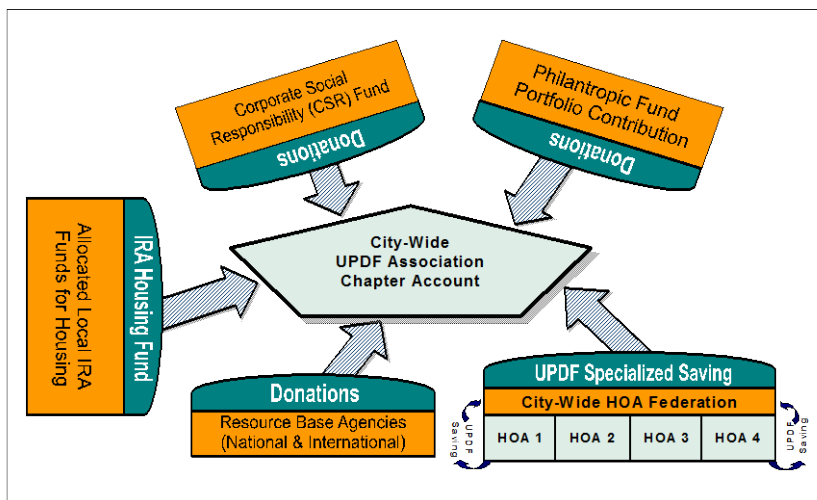
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The Urban Poor Development Fund (UPDF) is a critical localization strategy as it enables local communities to establish their own respective funds for social housing. 🌟



**Meeting with the
Philippines UN-Habitat
Program Manager for MDG
Localization Replication**



Central to the mandate of the Young Professionals Association for Sustainable Habitat is the promotion of secure tenure to many of those in the informal settlements through localized mechanisms. Hence, an engagement with local government units becomes imperative.

A model for LGU engagement for localized shelter delivery as a response to the MDG 7, target 11, to provide shelter to those in the informal settlements is currently being pursued by the U.N.-Habitat in the Philippines. Crucial to this localized strategy is the Local Shelter Planning tool that is currently piloted in several LGUs in the country.

Seeing this as a viable model for replication, Officers of JFLFI and YP met the Country Program Manager of U.N.-Habitat, Ms. Eden Garde, to determine the viability of utilizing the template for the LGU strengthening mechanism being pursued in the island of Negros as well as in the other localities in the Visayas and Northern Mindanao. 🌟



Registration Form

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Organization _____

Current Job/Work _____

Mailing Address _____

Contact Numbers/E-mail Address _____

Kindly indicate your priorities among the listed alternative construction materials by ranking them (1 – highest priority; 2 – second priority, etc.):

compressed earth blocks micro-concrete roof tiles

interlocking compressed earth blocks ferrocement

others (please specify): _____

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