

Paredes, Estela F.; Sayos, Anicia C.

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## The Lote para sa Mahihirap Housing Program of San Carlos City, Negros Occidental

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For comments, suggestions or further inquiries please contact:

**The Research Information Staff**, Philippine Institute for Development Studies  
3rd Floor, NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City, Philippines  
Tel Nos: 8924059 and 8935705; Fax No: 8939589; E-mail: [publications@pidsnet.pids.gov.ph](mailto:publications@pidsnet.pids.gov.ph)  
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# THE “LOTE PARA SA MAHIHIRAP” HOUSINGPROGRAM OF SAN CARLOS CITY, NEGROS OCCIDENTAL

*Anicia C. Sayos and Estela F. Paredes<sup>1</sup>*

## **I. Brief Background of the Study**

Cities are finding ways to cope with rapid urbanization and the ever-growing population. With the passage of the Local Government Code (R.A. 7160) in 1991, Local Government Units (LGUs) are challenged to efficiently manage its resources given the added responsibilities of financing and delivery of basic services to the added populace. With this premise, the “Population and Urbanization: Managing the Urbanization Process Under a Decentralized Governance Framework”, a joint project of the National Economic and Development Authority (NEDA), the Philippine Institute for Development Studies (PIDS), and the Development Academy of the Philippines (DAP), try to look at the means and strategies of some LGUs in handling the problems caused by rapid urbanization such as fiscal management and other social problems in environmental management, health and housing sectors. The objective of this paper is to highlight the best practices of LGUs in their local programs so that others can learn from them.

This paper highlights the innovative ideas of an outstanding LGU: San Carlos City in Negros Occidental in solving the squatting problem of the City. The “Lote Para sa Mahihirap Program” of San Carlos won the 1996 Gawad Galing Pook as one of the top ten (10) outstanding local government programs in the country. The Gawad Galing Pook Award is a nationwide annual search for outstanding local government programs that has successfully addressed pressing social and economic needs. The Asian Institute of Management (AIM) and the Local Government Academy (LGA) sponsor the Award.

## **II. Housing Situation in San Carlos City**

San Carlos City, one of the six (6) cities in Negros Occidental is situated at the northern end of Negros Island. It is strategically located at the center of three (3) major cities in the Visayas namely: Bacolod City, Cebu City and Dumaguete City. Twenty-seven percent (27.19%) of the 1995 population of 101,429 are urban. With land area of 41,185.9521 hectares, 66.90 percent is devoted to agriculture, 11.84% non-agricultural and the rest (21.23) is protected areas.

The average current real estate cost in San Carlos City is ₱1,500 within the city proper and ₱500 per square meter outside the Poblacion. The escalating costs

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<sup>1</sup>Senior Research Specialist, Philippine Institute for Development Studies, and Chief, Social Development Division, Region VI, National Economic and Development Authority.

of real estate in San Carlos City prevent most of the residents to own a piece of land.

There are 3,233 recorded informal settlers in San Carlos City in 1995. These are people occupying government land and structures, those residing in reclamation areas, those affected by the road widening project of the government, and those who are squatting in privately-owned land that will be soon ejected because the owner will use it for commercial purposes. Generally, squatter communities are always the problem of urban areas, and San Carlos City is not exempted from this problem, especially now that it is striving to become a new growth center. The economic activities present in the City attract these people to stay permanently in the place. Secondly, the proliferation of squatters in the city proper was a product of insurgency in the 70's and early 80's. Christian farmers who went down from the mountains did not go back to their original homes when the situation normalized. Informal settlers squat because of economic reason, but their proliferation posed a number of social problems related to peace and order (drug addiction and criminality), health and sanitation, among others, to the host city.

### **III. Mayor Debulgado's Vision for the City's Urban Poor**

Mayor Rogelio R. Debulgado vision for the City's urban poor is to empower and develop them to become responsible citizens. Mayor thinks that owning a piece of land without fear of eviction will give the people dignity and confidence. Through the Homelot Program, the City government of San Carlos hopes to attain this vision.

### **IV. A "Homelot Program" was Launched**

The "Homelot Program" is an offshoot of a fire that hit the City in February 1992 and left 145 families who are occupying government land homeless. The plight of the homeless is not new to Mayor R. Debulgado. The company that he has worked with before his term as City Mayor is engaged in the real-estate business that provides on-the-job housing to hundreds of its workers. These workers become homeless once they retired or separated from the company. The company recognized this problem and launched a homelot program for its laborers, where the Mayor was then the company's SVP for Operations. His involvement in planning and implementation of the said program helped him in successfully launching the same project for the city's urban poor. Upon assumption of Office in July 1992, he saw to it that the poorest of the poor of the City would have the dignity of residing in at least a decent community with basic amenities provided by the local government. He initiated and allocated funds for a resettlement program with the February 1992 fire victims and squatters of government land as priority beneficiaries. The Homelot Program, hopes to enable the poorest population of San Carlos City to acquire affordable residential lots in an orderly and clean community.

## V. Program Implementation of the "Lote Para sa Mahihirap"

Land tenure as key component in solving any housing problem, was directly addressed by the Homelot Para sa Mahihirap Program of San Carlos City which started with a 46,989 sq. meter lot subdivided into 598 lots of an average size of 54 square meters each. The February 1992 fire victims were the first identified beneficiaries of the Program. Other qualified applicants were those residing in government land in the Poblacion, house owners affected by government's infrastructure projects, and others that may qualify based on the SP Ordinance passed for the purpose. Initial funding of the program was pooled from different sources: the City's 20 percent IRA Development Fund of ₱2 million, and ₱200,000 from the 20 percent IRA Development Fund of Negros Occidental province. The City's IRA share increased with the passage of R.A. 7160, which enables the City to purchase and develop a site for the homelot program. The Calamity Fund for fire victims of then Pres. Corazon Aquino worth P1 million was used as seed money to sustain the continuing projects of this Homelot Program.

Sangguniang Panlalawigan Ordinances govern the implementation of the Program that ensures the continuity of the Program in the event of a change of administration or leadership. The Ordinances also stipulates the scheme in the implementation of the program, the governing rules in qualification/application/selection of the beneficiaries, cost, terms and mode of payments, limitation on disposition, and termination of contract. SP Ordinance No. 160, Series of 1994 was enacted for the purpose of providing guidelines in the implementation of the Homelot Program of the City Government of San Carlos, Negros Occidental and covers Phase I, while S.P. Ordinance No. 184, Series of 1996 enacts the set of rules and regulations governing the implementation and operation of Phase II. S.P. Ordinance No. 187, Series of 1996 amends Ordinance No. 184 thereby considering the Consuelo Zobel Alger Foundation-Philippine Branch, an NGO to provide housing assistance and community development program. SP Ordinance No. 190 Series of 1997 provides for a scheme in implementing Phase III.

Starting from 1995, the city government allots in its Annual Development Plan an amount for its Homelot for Squatter Program. In 1995, it allotted P2 million, P1 million in 1996; and another P2 million for 1997. The City government of San Carlos appropriated 30% of their Internal Revenue Allotment to various development projects for 1997. They based this budget allocation from R.A. 7160, otherwise known as the New Local Government Code that no longer limits to 20% the share of the City from the IRA (City Council Resolution No. 25, Series of 1996, dated November 6, 1996). Two to three percent of the City's annual budget is allocated for the Program. IRA share to the total income of the City rose from 76.69% in 1994 to 84.98 in 1996.

Figure 1 shows the land area, cost, mode of payments and status of San Carlos City Homelot Program.

The Homelot Program for squatters was centered on providing lots to all qualified squatters of the City at low, affordable and reasonable cost. Qualified

squatters are those who are certified by the City Assessor to be non-owner of land in the City or any other parts of the country.

Aside from affordability, the city government took into consideration potential problems that might be encountered by the program. It informed the beneficiaries about the benefits they will enjoy if they will be transferred to the new site, such as cleaner and healthier environment aside from the security of

Table 1  
**STATUS OF THE HOMELOT PROGRAM FOR SQUATTERS  
 OF SAN CARLOS CITY, NEGROS OCCIDENTAL,  
 AS OF JULY 31, 1997**

	Phase I	Phase II	Phase III
<b>I. Land Area</b>			
1. Total Area	4.6989 has.	1.7750 has.	2.7155 has.
2. Saleable Area	3.3152 has.	1.1025 has.	1.5294 has.
3. Lot Size	54. sq.m.	90 sq.m.	54 sq.m
4. Number of Lots	598	124	228
<b>II. Cost</b>			
1. Acquisition	₱ 2,135,655.00	₱ 1,331,250.00	₱ 1,765,075.00
2. Development	7,767,185.80	1,558,731.25	4,505,000.00
3. Others	344,943.75	-	-
<b>TOTAL</b>	<b>₱10,247,784.55</b>	<b>₱ 2,889,981.25</b>	<b>₱ 6,270,075.00</b>
<b>III. Payment</b>			
1. Value	₱ 100.00/sq.m.	₱ 155.00/sq.m.	₱ 125.00/sq.m.
2. Recovery	₱ 3,315,200.00	₱ 1,708,875.00	₱ 1,911.750.00
3. Subsidy	₱ 11,592.95/lot	₱ 9,525.05/lot	₱ 19,115.46/lot
3. Mode	₱ 5.00/day (M-F)	Package	₱ 5.00/day (M-F)
<b>IV. Collection</b>			
1. Occupants	595	on-process	132
2. Started	Feb. 1994	-	April 1997
3. As of July 31, 1997	₱ 735,665.00	-	₱ 16,850.00
4. Transferred – TCT	18	-	-

tenure. Factors like accessibility to source of livelihood, proximity to schools and health facilities were also considered. All the important things being considered, the beneficiaries are all willing to transfer to the new site without resistance.

#### 1. Phase I – Fatima Village Homeowners Association

Phase I of “Homelot Para sa Mahihirap Program” is known as the Fatima Village Homeowners Association in Greenville, Barangay Rizal, San Carlos City. Total budget cost of Phase I amounted to ₱10,247,784.55. The lot was acquired at a cost of ₱2,135,655, plus development cost of ₱7,767,185.80. Total subsidy of the city government per lot is ₱11,592.95. The National Housing Authority helped in the development of the lot and put in an amount of ₱6.702 million. There are 595 households who were certified to be landless as the first beneficiaries of the Phase I of the Program, including the 145 February 1992 fire victims. Others are occupants of government lands such as the public cemetery. With an affordable lot cost of ₱100 per square meter, and easy installments, no downpayment, no interest, of ₱5.00 per day, five (5) days a week (Monday to Friday). A receipt is issued to them for every ₱ 25.00 amount of collection. The amortization covers land acquisition costs and development. The development includes construction of individual septic tank and toilets; basic facilities like roads, power lines, drainage and water systems, school buildings, health and day care centers, and recreational facilities. The amount of subsidy the City government put in is ₱ 11,592.95 per lot. Each sublots measuring 54 square meters can be fully paid in four and a half (4 ½) years. As of July 31, 1997, total collection of Phase I amounts to ₱735,665.00. The amount collected is placed in a Trust Fund especially created for (raw) land acquisition and development of future homelot needs. A revenue collecting officer was hired by the city government to oversee the collection of the payments. He is one of the beneficiaries and also at the same time the President of the Fatima Village Homeowners Association. An assistant helped him in the daily collection. To date, there are already 18 beneficiaries who were able to pay the full amount of their lots, and The Certificate of Titles (TCTs) were already given to them.

The city government through “bayanihan spirit” facilitated the transfer of their old houses to the project site. The city government provided the trucks that were used in the transfer and five (5) carpenters to help in reconstructing their houses. Also, the city government implemented the “neighborhood plan”. The plan is for them to be located with the same neighborhood arrangement as when they were in the old site.

Phase I beneficiaries are involved in various trades. There are tricycle/pedicab drivers, market vendors, carpenters, painters, construction workers, hollow block makers, tombstone makers; among others. These types of livelihood were not affected when they transferred to the new place. And as their main source of income, can easily pay the ₱5 per day, five days a week mode of payment. To date, the residents have already made remarkable improvements in their old barang-barongs. Some have added another room,

changed their walls from bamboo to concrete; and the enterprising ones have put up their own "sari-sari" stores.

Phase I or the Fatima Village Homeowners Association is located at Greenville, Barangay Rizal, San Carlos City, one kilometer away from the Poblacion. Transportation fare going to the City proper is ₱3.00 one way using the tricycle/pedicab or PUJs.

The Conzuelo Zobel Alger Foundation-Philippine Branch (AFPB), a non-government organization helps in community building . The residents are given seminars on community development and leadership training. Livelihood seminars and trainings were also conducted. The residents already have established a multipurpose cooperative, and other livelihood projects such as hollow blocks and tombstone making business.

The residents are now peacefully and comfortably settled. They are now actively attending trainings and seminars that will give them other source of livelihood and one that will enable them to avail of housing loans The NGOs help them in this effort. As organized and empowered citizens, they are planning to lobby the City government for improvement in the community facilities such as concrete roads, additional water pumps and housing assistance.

## 2. Phase II – City Hall Employees' Housing Project

With Phase I put in place, the city government is currently developing Phase II of the Homelot Program. Phase II is intended for the City government employees in the career service holding permanent appointments and receiving monthly salaries of not exceeding that of salary grade 18. He/she and his/her spouse must also be a certified non-owner of land in the city and other parts of the country. Phase II is a 1.775 hectares property subdivided into 124 lots of 90 square meter each. Cost of homelot plus development amounted to ₱2,889,981.25, with ₱9,525,05 per lot subsidy from the city government. The lots are sold to the beneficiaries at ₱155.00 per square meter, or a total of ₱13,950 for a 90 hectares lot, in 120 equal installments, payable on each payday.

Phase II has a housing component being handled by an NGO, the Algiers Foundation. The Foundation helps in the value formation of the beneficiaries which is done through seminars and trainings and also in facilitating/providing loans for the housing units. The 40 square meter floor area of each unit costs P137,984, and is payable in ten (10) years. Payments for the house and lot package are done through salary deduction, without interest. To date, 68 housing units are being constructed. The plan is to construct a total of 124 housing units in the site.

## 3. Phase III – San Juan Homeowners Association

With the success of Phase I and Phase II projects, the City government is now developing a 2.7155 hectares of prime land also in Barangay Rizal. Phase III is located adjacent to Phase II, and now known as the San Juan Homeowners



Association. The implementing guidelines of Phase III are stipulated in S.P. Ordinance No. 190, Series of 1997. Each homelot of an average size of 54 square meters will be sold at ₱125.00 per square meter. The terms of payment of Phase I will also be applied to Phase III. The beneficiaries of Phase III are also the city's urban poor who were certified to be nonland owner and are members of the urban poor federation. They are also engaged in various trades for source of livelihood such as pedicab/tricycle drivers, carpenters, market vendors, etc.

## **VI. How to Launch a "Homelot Program"**

The following process were identified in designing and implementing a feasible and successful homelot program:

1. **Organization of staff and personnel that will handle the project.** The Office of the Mayor has the general supervision of the entire project. It is charge of the planning and implementation of the project. It first organized the staff who will assist in the implementation of the Program. S.P. Ordinances were passed to define schemes in project plan and implementation as well as the City government and the beneficiaries' rights and responsibilities. The Mayor himself initiate the source of funding for the Program by making use of the IRA sharing based on the Local Government Code. The City's Annual Budget allocates 2-3% for the Program. Figure 1 shows the agencies, both local and national as well as POs and NGOs who are involved in project and their functions.
2. **Registration of urban poor population.** The Urban Poor Federation takes charge in registering the intended beneficiaries of the Program with the help of the Barangay Captains of their respective barangays. The City Assessor issues the certificate of non-land ownership.
3. **Purchase/negotiation between the landowner and LGU.** Purchase and negotiation with the landowner is the responsibility of the City government and the key person who negotiates is the City Mayor.
4. **Plan preparation of the resettlement site.** The Engineering Department and the City Planning and Development Office handle preparation of the project site.
5. **Orientation and transfer of the beneficiaries.** Orientation and transfer of the beneficiaries is the responsibility of the City government (CPDO) with linkage with NGOs and Urban Poor Federation.
6. **Community organization and training for livelihood program.** Two credible NGOs, the J.F. Ledesma and Algiers Foundation Inc., conduct seminar in values formation, community organizing, as well as livelihood trainings. The CPDO, CSWDO and DECS also help in organizing, training,

and other such activities that promote social welfare, and education of the beneficiaries.

7. **Monitor developments in terms of sanitation, and structure.** The City Planning and Development Office (CPDO) is the one in charge of monitoring the Project. The CPDO sees to it that the community has no health and sanitation problem. Future needs of the beneficiaries are also addressed through site visitation and meetings with the officers of the Homeowners' Organization.

8. **System of Payment of Daily/Monthly Amortization.** The City government was able to put in place a system of payment and collection for the daily/monthly amortization. A collector was assigned to collect the daily/weekly payments and to issue receipts thereto.

## **VII. Criteria of the Homelot Program's Success**

Land tenure is the City's main concern in solving its housing problem. In providing affordable lots in installment basis (at cost and without interest), the City was able to implement a feasible and efficient solution to the problem. The City government believes that when all three (3) Phases were fully implemented, the remaining landless urban poor will only be those who are occupying private lands.

The success of the Homelot Program was identified from the following criteria:

1. **Concerted Efforts of the Different Offices and Units, Locally Based National Agencies and NGOs.** Although the Office of Mayor Debulgado has the general supervision of the entire project, it closely coordinates with the different line offices. The City Assessor's Office issues the No-Landholding Certificates to the eligible applicants as recommended by the Urban Poor Federation. The City Engineer's Office facilitates the transfer of the houses to be relocated by providing transportation needed. It is also responsible for the construction of necessary infrastructure such as roads, light, water and sewerage system. The City Legal Office, the Treasurer's Office and the Register of Deeds are in charge of all matters concerning the sale of the lots from the drafting of the contract, collection of payments; and issuance of land titles. The City Planning Office introduces livelihood projects and monitors and evaluates the program. Other departments of local government that helped in the social transformation of the beneficiaries are the City Social Welfare and Development Office, Health Office, and DECS. The J.F. Ledesma Foundation and Algiers Foundation are two identified NGOs that provide trainings for livelihood programs, at the same time conducts value formation seminar, for commitment building and organizational upliftment. Algiers Foundation also provides the financial requirements of Phase III of the Program (Figure 2).

2. **Approval by Sangguniang Panlungsod of an Ordinance providing guidelines in the implementation of the Homelots program of the City government.** The Ordinances that were passed did not only define the rights and

responsibilities of both parties but also ensure the continuity of the Program even with the change of administration.

3. **Affordable and easy mode of payment.** All three (3) Phases have a very affordable and easy mode of payment. A collector was assigned to collect daily amortization of Phases I and III. Phase II payments are through salary deduction. As of this writing, a total of 18 beneficiaries have already fully paid their lots in Phase I.

4. **The City Government's Commitment.** The City Government of San Carlos commitment to the Homelot Program also contributed to the success of the Program. In its 1998 Annual Investment Plan, from purely local funded projects, it allocated a total of ₱16M for the Program: ₱8M for the purchase of more homelots for the squatters in the city and another ₱8M for the purchase and development of lots and housing program for government employees. For projects out of the 20% Development Fund, ₱3M was allocated for the Program.

Two to three percent (2-3%) of the City's Annual Budget is allocated to the Housing Program. The City government fully made use of the provision of the Local Government Code that facilitates the allocation of budget for the Program and the devolved powers of the HULRB in the fast implementation of the program.

4. **Satisfaction of the Beneficiaries.** The City government believes that the level of satisfaction of the beneficiaries is the ultimate determinant of the success of any program. The residents were reportedly 90-95% satisfied of the Program.

## **VIII. Innovations that can be Replicated**

The success of the Lote Para sa Mahihirap Program was based on a number of innovative strategies:

1. **Low-cost lots for the beneficiaries.** The price of the lots are computed based on acquisition cost and no interest, beneficiaries are not required to pay downpayments, and interest was not applied to amortization cost.

2. **Affordable and easy mode of payment.** The daily installment scheme for Phases I and III, and through salary deduction for Phase II proved to be efficient and feasible both to the city government as well as the beneficiaries.

3. **Assigning a collection agent to collect from the site.** A collection officer who visits them daily to collect payments encouraged the beneficiaries to pay their amortization on time. This scheme does not only show the sincerity of the local government to make the program work but also saves the time and effort for beneficiaries in going to the city hall just to pay for their amortization.

4. **Their sense of "neighborhood" was retained.** The residents felt they were not uprooted from their original place of residence when they were

transferred to the site because their lots were arranged in such a way that they will have the same neighbors as when they were in the old site.

5. **The Program is supported by City Ordinance** that defines their rights and responsibilities. It is also supported by Sanggunian Resolutions providing budget allocation for the Program and assurance of the Program's continuity even after the term of the incumbent mayor.

6. Finally, the innovative scheme that proved to be the highlight of the Program is the City's effort in making available affordable homelots to the poorest of the poor. **"Just the Lote"**, the Mayor said. Once they have the security of tenure, people will be inspired to improve other aspects of their lives. Having done that, the government's role is to assist them in their future needs. Here, the political will of the Mayor of San Carlos, Negros Occidental in implementing local projects ensures the success and sustainability of the City's housing program.

### **VIII. Conclusion**

Cities must find space for everyone, including, and especially the poor. Strategies cited above were found to be feasible and efficient. One clear proof is that although the lots were being paid in installments without interest, there are already 18 beneficiaries of Phase I who fully paid the total amount so that they can rightfully claim the land as their own by having The Certificate of Transfer (TCTs) under their name. Mayor Debulgado thinks the innovation they did in the housing sector is the provision of affordable and at easy installment homelots. Just the "lote"... a simple program that aimed at providing the poor with lots that they can purchase at the most affordable price. This strategy is feasible and adaptable if only other LGUs have the sincerity of purpose in giving their citizen the chance to have a decent life through security of tenure. With security of tenure, they are now the proud owners of their land and are finding ways to improve their living conditions starting with the construction/improvements of their housing units.

The strategies employed by the local government of the City of San Carlos in Negros Occidental did not only empower its constituents by giving them the dignity of owning a piece of land but also successfully solve squatting and its accompanying social problems.

The political will of the Mayor of the City of San Carlos, Negros Occidental to implement doable projects for the urban poor as in the case of the "Lote Para Sa Mahihirap Project", ensures the success and sustainability of the City's Housing Program.

Figure 2

## ORGANIZATIONAL CHART Lote Para Sa Mahirap Program

