



Ernestville HOA

CASE STUDIES OF COLLECTIVE HOUSING IN ASIAN CITIES • SEPTEMBER 2022

This collectively planned and managed housing project in Metro Manila was a breakthrough on several fronts. The 212 families, whose houses in informal riverside settlements had been swept away by floods, came together, formed a new association and found and bought land for resettlement themselves, right there in the same barangay (sub-district) where they had been living. Then, because the land was much too small for individual plots, they worked with a new government program to promote and finance higher-density - but still affordable - housing, so all 212 families could get secure housing on the land.

- **Project** Ernestville Home Owners Association
- **Location** Nenita Extension, Barangay Gulod, Novaliches, Quezon City, Philippines
- **Size** 212 households
- **Finished** 2017
- **Type** Relocation of flood-affected families from several informal communities to new land they purchased together, within the same sub-district, where they designed and built their own high-density, low-rise housing.

CONTEXT AND PROCESS

The city:

Quezon City is the largest of the 16 cities that make up Metro Manila, with a population of just over 3 million people. Of the total 700,000 households living in Quezon City, almost a third (191,000 households) live in insecurity and poor housing in informal settlements. Almost half of these informal settlers (92,000 families) live on land that is privately owned. The rest live on public land that is classified as "danger areas" (especially on land along the city's rivers and waterways) or has been reserved for various government purposes such as infrastructure projects and other priority developments.

The Quezon City government has been quite creative in helping many poor families get security of tenure, through a number of programs:

- **Community Mortgage Program (CMP):** The city government works as a "mobilizer" (organizer and support institution) for many groups of informal settlers by connecting them to the Community Mortgage Program (CMP), a national government housing program that provides collective loans to organized groups of low-income families in informal settlements to purchase the land they already occupy or land they find elsewhere. By 2018, the city government had helped at least 10,000 poor families in Quezon City to collectively purchase secure land through the CMP program.
- **Direct Sale Program:** The local government also helps facilitate the land purchase negotiations between organized groups of informal settlers and the owners of the land the groups already occupy. After paying for the land in full, through community savings or other loan programs, the informal community becomes the collective owner of the land.
- **Bistekville Housing Program:** In 2011, the city also set up its own in-city housing program called Bistekville, in which the city acquires vacant properties, using municipal or national funds, and then constructs low-rise, high-density housing for low-income families and informal settlers. One Bistekville project provides apartments for government and private sector employees who can afford the housing loan. Another project provides apartments in multi-story buildings for informal settlers who'd been living in danger zones, who pay for their units at subsidized rates. By 2016, the program had built two new projects which provided housing to 2,208 low-income families.

Despite these proactive initiatives of the city government though, the fast-rising cost of land in Metro Manila, as well as the limited land availability in the region, make it very difficult for the city to fulfill its goal of ensuring minimal displacement of informal settler families. Resettlement to remote sites far outside the city limits is still the city's main strategy for dealing with the housing needs faced by informal settler families evicted for various purposes. Most of the city's informal settlers, especially those who experience frequent floods and fires, have been relocated to resettlement projects developed by the National Housing Authority (NHA) in nearby provinces, many kilometers away from their jobs, schools and support systems.

The community process:

Barangay Gulod is one of the 16 barangays (sub-districts) that make up Novaliches District, in the northern part of Quezon City. By 2015, the barangay had a population of about 53,000, making it one of the most densely-populated of all the 142 barangays in Quezon City. Most of the communities in Barangay Gulod are informal settlements, and many of them face the yearly problems of serious flooding from the nearby Tullahan River during the rainy season.

For some years, a local NGO called the Foundation for the Development of the Urban Poor (FDUP) had been working with poor communities in Barangay Gulod to find solutions to their problems of housing and land insecurity. In 2007, with support from FDUP, the informal settlements in Barangay Gulod came together and formed their own Gulod Urban Poor Alliance (GUPA), to engage collectively with the local government in tackling the serious problems they face. At first, only 11 communities joined the new alliance, but all of them had organized and registered themselves with the government as home owners associations, which is a necessary prerequisite for buying land collectively in the Philippines. By 2021, the alliance had grown to 34 home owners associations, representing 1,801 families. Over the years, the Gulod Alliance has initiated projects in housing, land, waste management and health.

In 2008, the Gulod Alliance took part in an environmental research project that collected information about how accessible basic and social services were to the urban poor. The report from that research helped the alliance to better understand the problems that informal settlers in the barangay were facing. Using findings from the research, the Alliance developed its own Urban Poor Agenda, which described their concerns and proposed solutions. The Gulod Alliance presented this agenda to the barangay council, and that paved the way for a working partnership with the local government which continues today.

A year later, in 2009, Typhoon Ketsana (called locally Typhoon Ondoy) wreaked havoc in Metro Manila, and Barangay Gulod was one of the worst-hit areas in Quezon City. Hundreds of families living in informal settlements on the riverbanks had to be evacuated, and many lost their homes in the ravaging floods.

Aware that such devastating typhoons and floods would happen again and endanger their lives and belongings, the Gulod Alliance carried out a post-disaster survey, with support from FDUP. They profiled and mapped all the settlements in the barangay. By working together, the communities in the alliance created maps showing hazards and high-risk areas, developed socio-economic profiles of vulnerable families and identified vacant land within the barangay for possible resettlement sites. They used this data to campaign for a program to resettle people living in danger zones along the waterways to safe sites right in the same barangay. This "in-barangay" resettlement program was presented as a more humane and less impoverishing alternative to the normal government practice of relocating affected communities to far away resettlement sites, where they have difficulty surviving.

This post-disaster profiling and mapping, which involved families who had lost everything in the floods, was an eye-opener for everyone in the Gulod Alliance. The survey made clear the need to identify safe and secure land for their families that was not prone to the kind of flooding they experienced every year along the Tullahan River. Besides searching for alternative land, members of the alliance also got to work setting up community-managed systems to help prepare for, respond to and mitigate their risks for future disasters. They also used some solid waste and composting projects as more tools to organize the communities and to build closer working relations with the barangay officials.

Through the survey process, the Gulod Alliance identified 488 families, in different settlements, who were living in danger areas near the Tullahan River. The task then was to find new land where all those families could build safe, secure housing in new communities. The clear goal was to resettle all these families to alternative land within the same barangay, so that displacement from jobs, family and support systems would be minimal. The alliance members began discussing with barangay officials about the possibility of purchasing some of the vacant plots they had identified and turning them into resettlement colonies for these families living in danger zones. The alliance members went through the tedious task of researching the legal status of the 16 vacant lots they had identified and checking with the landowners to see if any of them were willing to sell their land to organized communities.

Initiating the housing project:

One of the largest riverside settlements was called Ernestville, and it became the first community to demonstrate this "in-barangay" resettlement concept. Most of the members of the Ernestville community were affected by Typhoon Ondoy (Ketsana), and many of their houses were within the three-meter easement (or "danger zone") along the Tullahan River. The community members, together with the Gulod Urban Poor Alliance (GUPA), looked for and found a half-hectare piece of vacant land on higher ground which met the people's two key requirements: it was not flood-prone and it was within the same barangay. With help from the Gulod Alliance and the barangay chairperson, the Ernestville families were able to persuade the landowner to sell her land to them.

That's where the government's new High Density Housing program came in. For many years, the government's CMP program was the main financial tool for helping organized poor communities to buy land and make their own housing in cities. But as the price of urban land and housing construction costs rose, the CMP's loan limits were too small. Plus, when communities build their houses individually - even in very tightly compressed plans - it was getting harder and harder for communities to afford to buy good land nearby that was big enough to accommodate everybody with small plots. If they could squeeze more families onto the land, though, that would lower the per-family land costs and still allow informal settler families to stay in the city and have reasonable sized housing. But that would mean developing more dense, more vertical forms of housing, like multi-story blocks, which meant higher construction costs for each housing unit. The government's Social Housing Finance Corporation (SHFC) was studying all these realities, and with advice from the World Bank launched a new program to promote and finance such higher-density housing. The government's High Density Housing program was piloted in this project in Ernestville.

The Ernestville project is born:

In 2008, the 129 families in the Ernestville community formally registered themselves as a Home Owners Association (HOA), which is a requirement in the Philippines for communities wishing to collectively purchase land and access the government's chief loan program for low-income communities, the Community Mortgage Program (CMP). Unfortunately, the members found that the maximum amount the CMP was willing to loan them was not enough to cover the full cost of the land, and they also didn't have enough to pay the required down payment (or equity). So the HOA members then decided to start a

community savings scheme, to save for both their loan down payment and to address gap between the loan cap and the actual land price.

One factor that went into the decisions of the community members regarding the type of housing they would pursue was their experience with Typhoon Ketsana. The strong typhoon washed away the houses of some of the members, so the association considered moving to low-rise residential buildings, to be able to accommodate more families, especially those living next to the river. This choice would also help lower the cost of land per member, since they would be able to fit more people within the same size of land. After a joint screening process conducted by the home owners association and the Gulod Alliance, a total of 212 families were accepted, of which 95 had houses that encroached upon the legal easement near the river, and the rest had been affected by Typhoon Ketsana and by floods during the 2012 monsoon season.

In 2011, after several consultations to convince its members that individual land ownership, which most preferred, was not practical given the limited size of land available to them, the HOA decided to “build upwards” and pursue a low-rise housing project. The NGO technical staff, with the assistance of architecture students from a local university, guided the community association in translating their envisioned housing project into technical plans. The housing construction plans started with an initial construction of a complete house, which was the design that the community expressed they would like to have. Each design was then accompanied by cost estimates to help association members weigh their options and set these against certain parameters such as the average income of the families (then ranging from 11,000 to 15,000 pesos) and the amount they could allot for paying for their house (then ranging from 1,540 to 2,100 pesos per family).

The process the community members went through to finally come to their final design was very long and tedious, but they needed to go through it to arrive at an informed decision that accommodated their needs and capacities. They even visited other low-rise (or high-density) housing projects to get an idea of what their proposed community could look like. After a series of consultations, revisions in the project design, and adjustments to the project cost, the community association agreed to construct a two-story core house structure with a provision of a mezzanine or loft (as commonly referred to here in the Philippines) for each unit on a uniform lot size of 25.6 square meters each. To translate these plans into concrete structures, the community then had to identify the contractor for their housing project.

Capacity-building activities:

With the community association steering the entire process, enhancing their capacities was indeed vital. The support NGO (FDUP) and the Gulod Urban Poor Alliance mentored the core leaders of the association through leadership training sessions and technical assistance in conducting participatory research.

In the first years of the HOA, FDUP helped inculcate among the community members the importance of saving as individuals and as a group through a series of seminars. The organization also trained officers in documenting transactions and setting up a system of transparency and accountability with regard to the management of the organization’s financial resources. The support NGO assisted the community association to become familiar with the documentary requirements and process of the community mortgage program, which was highly bureaucratic and complex. Elected leaders of the HOA underwent a series of training and coaching sessions on good governance and effective leadership given by FDUP.

While the housing project was being completed, the support NGO now turned to getting the HOA ready for taking responsibility for its maintenance. With a grant from The Asia Foundation, FDUP conducted a series of intensive capacity-building activities and workshops for the leaders and members of the HOA which resulted in what they called the “Agreement on Community Living”. This agreement essentially laid down all the rules that the community as whole agreed to follow once they moved into their new neighborhood, including the use of common spaces, the kind of house improvements that were allowed, creative ways to generate funds to maintain their units as a community, and even rules on owning pets. Unlike in other housing projects of the government (in off-city resettlement sites, for example) where the rules are handed down by the agency administering the project, the rules in Ernestville were collectively decided by the community, with FDUP/the support NGO serving as the moderator of the discussions, facilitating agreements among members on contentious areas such as care for pets and designating parking areas. Each of the member-unit occupants signed this “Agreement on Community Living” as proof of their commitment to follow the policies and procedures they agreed to as a community.

SUPPORT GROUPS AND PROJECT PARTNERS

NOTE: In many parts of the world, "Inc." after a name means that the organization is a for-profit business or a corporation. But in the Philippines, registering with the Securities and Exchange Commission, or later with the Housing and Land Use Regulatory Board, and getting an "Inc." after your name is the only way for community organizations, homeowners associations, NGOs and other non-profit entities to obtain the formal status that allows them to legally open bank accounts, receive funds, own land and interact with the formal system in various ways.

Foundation for the Development of the Urban Poor, Inc. (FDUP) is a Manila-based NGO that was established in 1988. FDUP has assisted 1,334 informal communities in Quezon City to get secure land through a community-driven process. In most of these projects, the communities took loans to buy land from the central national government's Community Mortgage Program (CMP), with FDUP assisting in all stages of the process as a government-accredited "CMP mobilizer." FDUP has helped another 124 informal communities to collectively buy the land they were already squatting on at negotiated prices. With its staff of community organizers and community architects, FDUP has also guided 11 communities through projects to reconstruct or improve their houses - including Ernestville.

The Social Housing Finance Corporation (SHFC) - this government agency, through a loan package under its Community Mortgage Program, provided the funding for the land acquisition and housing project of the community. The Ernestville HOA project was the pilot project for a community-led, high-density housing program of the government.

Partnership of Philippine Support Service Agencies (PHILSSA) is a Manila-based NGO which worked with FDUP and the Ernestville HOA to persuade the private sector electric company (MERALCO) to subsidize the costs of bringing power into the new community.

One MERALCO Foundation (OMF) is the corporate foundation and social development arm of the Manila Electric Company (MERALCO), which is the largest electric power company in the Philippines. After a meeting and series of e-mail exchanges over the next months, the OMF agreed to provide assistance to the community as part of its corporate social responsibility (CSR) initiative to assist communities in socialized housing projects.

The Asia Foundation provided a grant that was used by the support NGO to implement a series of capacity-building activities aimed at enhancing the skills and knowledge of the community leaders to manage their own settlement as well as codify the Agreement on Community Living, the set of rules that the community will follow once they move into their new settlement

The World Bank, Philippines provided technical assistance to the SHFC in the formulation of a high-density, vertical housing loan window under the community mortgage program. The World Bank also reviewed the housing designs of the HOA and provided suggestions on how to improve the given designs, which were presented to and approved by the HOA.

LEGAL FRAMEWORK OF THE PROJECT

A note on Home Owners Associations in the Philippines:

To buy land together, as a community, people in the Philippines need to have a legal status which their informal organizations or savings groups don't give them. When a group of families already has land or is in the process of buying land together, they can get that legal status by registering themselves as a Home Owners Association (HOA) with the government's Housing and Land Use Regulatory Board. Once a group becomes a registered HOA, they have to follow certain government rules and procedures, like submitting regular financial reports and electing a president, a vice president, a treasurer and officers to head committees on finance, environment, land and housing, education, grievance, peace and order, social, livelihood, and youth. Being a registered HOA entitles that group to access various government housing loan and support programs.

Legal status and land tenure:

The Urban Development & Housing Act (UDHA) or the Republic Act 7279 of 1992 provides the overall framework for addressing urban development concerns such as the equitable and rational use of land and the need to provide affordable housing options for underprivileged members of society. It is also through

this Act that the Community Mortgage Program, through which the Ernestville HOA acquired their land and constructed their units, was created. The Program aims to assist underprivileged and homeless citizens to buy, own, and develop land and housing under community ownership.

The land in the Ernestville project is collectively owned by the homeowners association (HOA), but the housing units belong to the families individually. Under Philippine law, Homeowners Associations like the Ernestville HOA also have the rights and responsibilities to manage their own settlements. One of the ways in which this manifested in the Ernestville HOA is the community's Agreement on Community Living, which stipulated rules and policies that every member of the HOA should follow.

Government support:

At the national level, Former President Benigno "Noynoy" Aquino III, at the start of his term in 2010, signed what he called a "Social Contract with the Filipino People," promising, among other things, "inclusive urban development where people of varying income levels are integrated in productive, healthy, and safe communities." The basis of this "Social Contract" was his earlier Covenant with the Urban Poor, in which a local urban poor coalition, the Urban Poor Alliance (UP-All), presented their evidence-based recommendations to address the needs of the urban poor sector.

Under President Aquino's term (2010-2016), housing programs for low-income and underprivileged groups in urban areas improved. His administration launched Oplan LIKAS: Lumikas para lwas Kalamidad at Sakit (Operation Plan: Evacuate to Avoid Calamity and Sickness), under which more than 104,000 informal settler families were relocated from danger zones. Between 2011 and 2016, the government allocated 50 billion pesos (US \$1.15 billion) for land acquisition and housing construction under the Oplan LIKAS program. Between 2015 and 2016, about 25,000 informal settler families were relocated to twenty in-city and out-of-city resettlement sites, mostly developed by the National Housing Authority. A smaller number of informal settlers were relocated to in-city and near-city sites, adopting a "people's plan" approach, with housing finance provided by SHFC. The Ernestville HOA was one of those communities which benefitted from the increased funding and support given to low-income, informal settler families' land acquisition and housing projects during this time.

Although Oplan LIKAS pushed to keep relocations within cities, in order to help affected families retain their social support systems and livelihoods, the problems of rising land costs, limited land availability and institutional challenges became huge obstacles to achieving this objective. By April 2015, about 67 percent of the National Housing Authority's resettlement projects were at distant places, far outside the city.

At the local level, the Quezon City local government has had a very robust housing framework and program, with its own Housing, Community Development and Resettlement Department. The Ernestville HOA was also able to lobby for a grant worth more than 7 million pesos (US\$ 147,370) to fund their site development plans from the city government.

PROJECT FINANCING

Project costs and who paid for what:

Exchange rate in 2016: 47.5 pesos = US\$1

Land: After intense or "a long series of" negotiations by the community and the Gulod Alliance, the landowner agreed to sell the 0.5 hectare land for 14.1 million pesos (US\$ 296,850), or 2,900 pesos (US\$ 61) per m². When the land price is divided between 212 households, that works out to a land cost of about 66,604.24 pesos (US\$ 1,402.20) per family. The land purchase was financed by:

- **Down payment** of 4.32 million pesos (US\$ 90,947.37), which came mostly from the community's collective savings and partly from a 1.5 million pesos (US\$ 31,580) bridging loan from FDUP, given to the community at 6% annual interest. The bridging loan was repaid within a year.
- **Land loan** of 11.32 million pesos (US\$ 238,315.79) from the Community Mortgage Program (CMP), made to the Ernestville Home Owners Association at 4.5% annual interest, repayable in 30 years.

Housing: The cost of constructing the 212 housing units (in 12 buildings) came to about 70.8 million pesos (US\$ 1.49 million), or 334,093 pesos (US\$ 7,035) per unit. The construction cost was financed entirely by a collective loan (given in stages) to the Ernestville HOA from the Community Mortgage Program, as part of a special High Density Housing Program of SHFC. Like the land loan, the housing loan was given at 4.5% annual interest, repayable in 30 years.

Graduated loan repayments to make it easier for families to repay: As part of the Ernestville project, the land and housing loan repayments were put together, so each family would have to make only one repayment each month. The repayment schedule was designed to allow the families to pay less in the early years, when they were still economically vulnerable after the resettlement and still establishing themselves in the new community, and then gradually increase over the years, with the payments increasing a little each year. The monthly repayment in the first year was an easily affordable 1,116 pesos (US\$ 24.46), and the payments increased by about 200 pesos (US\$ 4) each year, until they reached 2,596 (US\$ 54.65) per month in the 11th year, and continued at that rate until the end of the 30-year loan term.

Infrastructure:

- **Site development:** The cost of building concrete roads, laying the drainage system and building a retaining wall to prevent erosion on the sloping site came to 11.7 million pesos (US\$ 246,320). The community persuaded the Quezon City municipal government to cover these costs entirely with two grants.
- **Water supply:** The cost of laying pipes and connecting each house to the municipal water system (Maynilad) came to 45,000 pesos (US\$ 947), which was paid for entirely by the community members savings.
- **Electricity:** The normal cost of bringing electricity into the project and providing each house with a metered connection would have come to 2.12 million pesos (US\$ 44,632), which represented a serious hardship for the community members, who were already saddled with land and housing loans. But with help from the NGO PHILSSA, which helped negotiation with the electricity company's corporate social responsibility arm, the One Meralco Foundation, Ernestville community received a substantial subsidy for the new community's power connection. Finally, they paid only 848,000 pesos (US\$ 17,853) for electricity connections. This subsidized cost was covered partly by community savings of 530,000 pesos (US\$ 11,158), or 2,500 pesos (US\$ 53) per member, and partly by a short-term loan of 318,000 pesos (US\$ 6,695) from FDUP (at 6% annual interest), which was repaid in a year.

Professional support: The costs borne by FDUP to help the community develop the site plan, design the buildings and analyze the soil were partly subsidized by a grant of 150,000 pesos (US\$ 3,158) from the PHILSSA-DFID Technical and Legal Assistance Fund, and by a Technical Assistance Subsidy from SHFC.

DESIGN AND CONSTRUCTION

House design and layout plans:

The members of Task Force Arki, an organization of students from the University of Philippines architecture faculty, conducted a series of meetings and design workshops with members of the Ernestville community. The goal of these was to identify and prioritize the housing features the community members wanted in their proposed units, including spaces for laundry and drying clothes. The end product of these workshops was a schematic design for 2-storey walk-up buildings, with a row of units above and a row of units below, with each 26 m² unit (6.4 x 4m) having high internal ceilings (of 3.5 meters), so that the families can later add an internal mezzanine, to expand the living space by another ten square meters or so.

After these preliminary designs were completed, the Housing Development Unit of the support NGO, FDUP, prepared detailed cost estimates and presented these to the community. This reality check provoked another round of design alterations, and the community collectively decided on what elements of the design they would keep or discard, to make the buildings affordable to the HOA members. After much revision, the HOA approved the design of the building of the buildings, using conventional construction materials (reinforced concrete for structural works and concrete hollow blocks for walls and partitions), with common stairs on both ends of each building.

Once the building design and the cost were finalized and approved by the community, the technical plans were presented to the government agency and their technical consultants from the World Bank. The technical consultants made some suggestions to improve the ventilation, use of space, and design of the units. The contractor also presented to the HOA the idea of trying a new building technology that would help further reduce the cost and construction time. Instead of using the standard reinforced concrete frame construction, with hollow block infill walls, a system of "Plaswall Panels" (cast-in-place reinforced fiber-cement wall panels) was proposed. As a community-led project, this and all other technical suggestions were first presented to and then approved by the community members. The "Plaswall Panel" system had several advantages: since the panels are load-bearing, there was no need for columns. Construction time is much faster also, and no plastering required since the panels have a smooth finish. The contractor

estimated that this "Plaswall" system cut 15% off the cost of the buildings, compared to standard construction. The people agreed, and as one resident put it, "The buildings went up like a house of cards."

Housing construction:

Given that this was a pilot project, under a relatively new housing concept of high-density, vertical housing, the Social Housing Finance Corporation wanted to proceed cautiously. At first, the board approved only the construction for the first two buildings, and construction started in October 2014. These first two buildings were sort of the "pilot" units for the project. Approval for the remaining ten buildings would come later.

The project generated some economic opportunities for the community members since the contractor and the community agreed to employ 30% of the workers from a list of people recommended by the HOA. The construction was also closely monitored by the HOA, with a dedicated HOA officer closely coordinating with the contractor.

The HOA did encounter some challenges during the construction process. It took a full year for the Quezon City government to issue the building permit, and almost another year to approve the loan for the construction of the first two buildings. Those first two buildings were completed in April 2015, but there were more delays in the SHFC board's approval for the remaining ten buildings, so construction of those only began in October 2015. The narrow roads leading to the site also made it difficult to deliver the construction materials. Despite these problems, all twelve buildings were completed by November 2016, two years after construction began. When the construction was finished, the NGO's technical staff, HOA officers and community members all went together to carefully inspect all of the 212 completed housing units. With everything looking good, the HOA signed the Certificate of Completion and Acceptance (COCA) in January 2017.

Since the HOA had agreed to start with unfinished core units (without any interior finishes, internal electric wiring and without the internal loft), to keep costs down, it took the families a bit of time to get their units ready to move in to. The HOA members were now allowed to build their lofts, install their electrical wires and lighting fixtures, and set their bathroom tiles. During this time, the HOA officers were simultaneously negotiating to get electricity connections for the project. By August 2017, the community had full access to individual, metered municipal water supply and electricity. They could now really begin their lives in their new community.

COMMUNITY AND PROJECT MANAGEMENT

Project timeline:

- 2007:** Gulod Urban Poor Alliance is formed by members of informal settlements in Barangay Gulod.
- 2009:** Typhoon Ketsana ravages Metro Manila, hundreds of riverside houses destroyed. Organizing affected families for a resettlement project starts. Ernestville HOA is formed. Land for resettlement is identified and purchase negotiations start.
- 2011:** Housing design workshops with University of Philippines architecture students. Housing design for Ernestville project is costed and finalized.
- 2012:** The new community selects Solanaland Development as the project contractor. Technical and project management workshops continue. Housing designs presented to SHFC and World Bank consultants.
- 2013:** Construction of drains and roads by local government begins. SHFC approves Ernestville subdivision plan. Contractor's proposed cost-saving construction system is agreed to.
- 2014:** SHFC approves construction of first two buildings. Permits issued and construction starts.
- 2015:** SHFC approves construction of remaining ten buildings. Construction starts.
- 2016:** Construction of all 12 buildings is completed. Local government completes construction of retaining wall and drainage system. Municipal water connections are completed.
- 2017:** Members sign official certificate of project completion. Community members start moving in. Municipal electricity connections are completed. Inauguration and turnover ceremony held in Nov.
- 2018:** All 212 families are now living in their new houses.

Moving into the new settlement:

During the project inauguration on November 7, 2017, there was a public ceremony in which representatives from the new Ernestville community signed the Certificate of Completion and Acceptance. This ceremony gave the member-participants a sense of achievement that they had made it, and that they really and finally had a place to stay. Members started to work on home improvements in their respective units once power connections were installed in the settlement. Many families enclosed the spaces behind their units with

steel grilles, so they would have a place for cooking and for washing and drying clothes. Many also created internal partitions, added cabinets, installed tiles and fixtures in the bathrooms, and generally spruced things up. All of these house improvements had to be cleared with the HOA officers and the Project Engineer beforehand, in compliance with the policies agreed upon by the general membership of the HOA.

IMPACTS OF THE PROJECT

Looking back on their lives prior to their transfer, some of the original members of Ernestville who were able to attend the focus group discussion said that generally, the members felt very happy after transferring to the new community because their house was new and an improvement compared to their previous dwelling. They all shared in feeling safe and secure in their respective units because the units looked sturdy, especially since the participatory process they went through in the project meant that the members were able to really see how the units were constructed. A few of the officers compared the design of Ernestville to other government-initiated housing projects and said that the design of their house is much better because they have an open space at the back of the unit which allows for good ventilation. Other similar housing projects they visited looked cramped in comparison.

Gone too were the days of constant fear and anxiety. Back in their former houses, whenever it rained, they always anticipated that rising flood waters would enter their homes which meant that they had to evacuate to higher ground and wait for the floodwaters to recede.

There is also a feeling of “pride” in them because their community is gated. There is a guard manning the entrance and exit to the community, limiting the number of visitors to the HOA. It gives them the feeling of living in an exclusive middle-class or high-end subdivision.

One of the main sources of pride for the community members in Ernestville was the formulation of their “Agreement on Community Living.” The leaders recognize that this document is crucial for maintaining order and harmony in the community since officers use this as the basis of the policies they craft and implement. The well-crafted HOA policies have contributed to their harmonious relationship as a community. According to one officer, some of her friends said that their system in Ernestville is orderly, and their place is clean compared to other housing projects. They can reprimand those who hang their clothes in a messy way, or remind their members if they do not observe the policies set in their “Agreement on Community Living” such as rules regarding having a video karaoke session in the community. The President said that it is easier to remind the members to observe the curfew time because this was a policy agreed-upon, and this was stipulated in the members’ signed Agreement with the HOA.

This Agreement is a living document, and the rules can be changed as the community grows and their context changes. For example, in the early days of the Ernestville community (before the pandemic), the leaders shared that most of the kids played outside their houses, especially in the afternoon after school, and occupied the streets. However, the officers made a policy on a designated time when the kids could come out. This was to allow the other members on night shifts to have a good rest during the day. Limited parking was also initially allowed inside the community based on their Agreement. However, this decision was changed. Overnight parking for cars is no longer allowed except for motorcycles and tricycles only. Those members with cars are told to find and rent a place to park their vehicles. This was to give priority for the children to have a safe space for play and recreation. They also have a “no sticker, no entry” policy for motorcycles and delivery services. At the core of all this remains the idea of collective decision-making which the community continues to observe even after the project was completed. Before officers implement a policy or execute a project, these are first discussed by the Board, approved through a Board Resolution, and recorded in the minutes of the meeting.

Now, the community is closer than ever. The community prepares together for events such as Christmas parties. Before the pandemic, the community used to put out tables, chairs, and food for everyone to partake in during Christmas Day. But not even the pandemic can dampen their community spirit. Last December 2020, Christmas decorations were still put up in some alleys which were then highlighted by twinkling lights; this created an atmosphere of ‘home’ even in the middle of this difficult situation.

Life during the Covid pandemic:

The pandemic did halt a lot of community activities because of the strict lockdowns imposed in the country. The officers said that they have not been able to conduct a general assembly since March 2020, the start of community quarantine in Metro Manila. However, the HOA has a Messenger Chat Group to disseminate

announcements to the members. The officers still meet around 2 to 3 times a month, especially when there are problems in the community.

Despite all this, the Ernestville community members say the community remains “peaceful”. Some members started planting and selling their produce. The members also received aid – rice, vegetable packs, dried fish from the local government and from non-government organizations like FDUP. It was a difficult time, but they were still able to get by.

Economic impacts:

According to the community leaders and members interviewed, they are in a better situation now compared to before when they lived in small and cramped spaces, with rent reaching about 2,500 (\$52.65) - 3,000 (\$63.15) pesos a month, which is much more than what they pay now (1,400 pesos a month) for their monthly amortization. The monthly savings of more than 1,000 pesos is used to pay for their household utilities, food, and for the education of their children. On top of the overall lower housing expenses, one member also added that the one-year moratorium extended by the government before the start of the repayment was helpful to a lot of the members.

Challenges:

The Ernestville HOA had to undertake some “substitution” of members” early on when they were still at the beginning of the project. Some of the reasons enumerated regarding the need for substitution of members are:

- the members found the process lengthy
- the members had to move to another barangay (to reside with their relatives)
- there were changes in their employment
- they applied for another housing project
- they failed to fulfill organizational responsibilities and payment of dues.

The community and project staff encountered also some challenges during the construction period. Narrow roads leading to the project site raised problems especially on deliveries of materials. Familiarity regarding the technology used was also an issue during the initial stages of construction. The delay in the processing of the approval for the 10 remaining buildings in the project as well as the government’s release of the contractor’s billings affected the productivity and pace of accomplishment.

Some important items on the Bill of Materials that must be included in the construction were initially not reflected in the government-approved Bill of Materials. The community members and technical staff had to recompute the bill of materials and go through the very tedious process of securing government approval for this variation order. It took around five months (February to July 2015) for the approval to come through, and during this time, construction activities were temporarily suspended, which left the first two buildings they were working on unpainted and without windows. The approval for the remaining 10 buildings and the variation order request were only issued in July 2015. The finishing work on the first two buildings was allowed to resume at this time, but the Notice to Proceed for the construction of the remaining 10 buildings was only given in September.

STORIES FROM THE COMMUNITY

Malyn: A story of keeping hope alive

Malyn always has a big, warm smile for anyone who meets her. She is 38 years old, married and has two sons, aged 13 and five. Her family came from a town in Batangas, a four-hour bus ride south of Manila. She recalls the life they used to have living along the Tullahan River: “Whenever it rained, we would all stay awake at night, anxious about how things would turn out. When it rained continuously, the river would flow faster and the water would rise. That was the signal to pack up our things and move them to a higher part of the house. Once the water began coming into the house, it was time to evacuate to higher ground, and we’d look for a place to shelter on the street corner along the main road.”

Things changed when she had her first son. There was a time when it was raining continuously, and the river was swelling, with water reaching their house. Her son was only a few months old, and as she wrapped him with a blanket, she cried. Her thoughts were, “Will this be the reality [her] son will grow up in? How pitiful for him!” She carried him and walked out of the house to their usual evacuation area. As she made the walk toward higher ground, she struggled with the thought, “Will this situation ever end?”

It was a good thing that after Typhoon Ondoy (Ketsana) struck, the Ernestville officers were doing house-to-house visits to families living along the Tullahan River to invite them to join the Ernestville Homeowners Association in its plan to get into a socialized housing project that will be built on safe, secure, and higher ground within the barangay.

Since the association's formation in 2009, Malyn and her husband would attend the monthly meetings of Ernestville and give their share in the community savings fund agreed upon for all expenses. However, there came a point where the couple had second thoughts about their involvement in the association. They wanted to resign as members and withdraw their savings of about 3,000 pesos because the housing project was taking too long to become a reality. It seemed like it was just full of meetings and nothing more. After weighing the pros and cons, they decided to persevere. For them, they only paid 3,000 pesos compared to other members who completed their share of 30,000 pesos for the estimated housing-related costs. If the housing project would materialize, that would be good. If not, it would not be a big loss for them.

Things turned out for the better the moment their ideas regarding their desired features for their houses were translated into concrete plans with accompanying cost estimates. When site development activities and housing construction finally began, they would visit the housing site frequently to witness the transformation of the once-grassy land into an area near a major road and side roads.

Malyn's immediate family transferred to their unit on the upper floor before Christmas of 2017. Her next door neighbor is a cousin who was also her neighbor in the place where her family used to live. Her parents and sister have their separate units at the ground floor.

Her family's and the Ernestville community's lives seemingly came to a standstill when COVID-19 struck Metro Manila in early 2020. Her husband who worked as a messenger with a local courier company had to stop working for a few months. They made use of their savings as well as the assistance provided by government and non-government organizations like FDUP to get by. When the Community Quarantine was relaxed, her husband was able to go back to work. Family life has taken a different form since their two boys are now mostly at home, either playing or taking online classes.

Looking back at their joint decision as husband and wife in 2009 to be part of Ernestville, they are happy and have no regrets. They feel safe, secure, and protected since they have SHFC-assigned guards manning the gates of the community. They no longer fear flooding. Malyn feels comfortable and proud of the social network established within the community. In 30 years, after they have fully paid for their units, Malyn and her husband can call themselves unit owners.

Pando's determination

Fernando A. Desaliza, or Pando, as his neighbors call him, had grown tired of always worrying and watching out for the flood reaching their house whenever it rained. Their dwelling was situated along the riverbanks of Tullahan River in Novaliches, Quezon City, so flooding was always a part of their lives during the rainy season.

Pando was born and raised in Barcelona, Sorsogon - a twelve-hour bus ride south of Manila. After graduating from high school, he moved to Metro Manila in 1988 to work. He first lived in Caloocan City, got married in 1991, and had three children. They moved to Novaliches, Quezon City in the year 2000, and they had another child thereafter. Their house used to be in a flood-prone area. Whenever it started to flood, they would move their things to higher places in the house, and when it inevitably got worse, often had to be evacuated to higher ground. During Typhoon Ondoy (Ketsana), the floodwater reached their roof and all the things in their house were submerged in the flood. However, at that time, they had no other choice but to stay since they could not afford to move to another place.

Due to the constant flooding, Pando decided to join the Ernestville Homeowners Association back in 2009. He made sure to attend all the meetings of the association because he was really determined to move to a house with better structure in a safer location. During the construction of the housing project, his son became the guard at the gate of the property to keep the construction materials on-site safe. Because of this, Pando decided to also stay at the job site. While waiting for the completion of the construction of their house, his children saved money to prepare for the expenses in fixing the interior of the unit. Their whole family moved into their unit in the housing project after the power connection was set up in the latter half of 2017. Now, he and his wife are living with four of their children: one daughter-in-law (her husband is away for a work assignment) and three grandchildren.

For Pando, living in Ernestville is better since they do not have to worry about flooding. Moreover, they feel more secure because their community has two gates as well as a guard, and kids cannot easily go outside

the gates. Their community also feels seems spacious. He adds that their unit is much better than their previous house since the unit has a loft which they partitioned to create two rooms for his children and grandchildren, while he and his wife sleep in the first floor. Financially, living in Ernestville also helped since their monthly amortization of 1,400 pesos is lower compared to their previous house's rental fee which was 2,500 pesos. The money that they are able to save is now allocated for their water and electricity bills. Pando's children echo his sentiments, sharing that they are happy that they have moved to a much better location; they thought that they would live in their house beside the river forever and thus have to contend with frequent flooding.

Before the pandemic, his source of income was the buying and selling of electronic appliances. He bought parts in Metro Manila, then sold them in the provinces. When the community quarantine started, he was not able to travel to buy and sell his wares. Currently, given the restrictions in mobility to buy and sell his wares, Pando spends his time taking his daughter to and from her work on his bicycle. Pando bikes a total of around 64 kilometers of distance to bring his daughter to work and back home again. He takes 2 trips: a 32-kilometer journey when he brings his daughter to work and bike his way home, and another 32-kilometer journey to pick up his daughter from work and then back home. Initially, the experience of taking this journey was overwhelming. He thought he could not carry on for long, but for his daughter to get to work in the absence of public transportation, he has managed. It has since become a daily routine for him.

This year will be their fourth year spending Christmas in Ernestville. Pando prefers the Christmas celebrations they spent in Ernestville because the neighborhood has very positive community dynamics. They share food with each other, and some neighbors decorate and put up lights in alleys to make the streets brighter and prettier. All these give the community a more festive and caring atmosphere. Now, they are able to have a place where they can feel safe, at ease, and happy.

Nely: A story of transformation

Nely M. Akili, the President of Ernestville Homeowners Association, used to be shy and nervous when speaking in front of a lot of people. She would rather stay on the sidelines than talk in a meeting, and more so, lead an association.

Nely was born and raised in Victoria, Occidental Mindoro, more than 12 hours away from Metro Manila. She and her husband moved into the house of her older sister in Caloocan after getting married. They have one child together. Since they were just renting their house in Caloocan, her relative suggested that they buy an undeveloped lot beside the river in Barangay Gulod, Novaliches, Quezon City which was for sale at that time (1986). They decided to buy the rights to the lot, which was supposedly owned by the government, for 12,000 pesos.

Over time, the number of houses beside the river increased, and flooding incidence on rainy days increased rapidly. Since their area was a government-owned lot, there was a chance that the residents could be forced to leave their houses, so they established a community association and organized themselves to face such a threat. Nely's husband Hyder later became the president of the association. The land acquisition process took so many years that the older officers died already, and Hyder was the only officer left. The local government eventually approved their application and required them to submit the necessary documents to facilitate the transfer. Unfortunately, Typhoon Ondoy (Ketsana) came and all their documents were lost in the flood.

Around the same time, in the year 2008 before Typhoon Ondoy (Ketsana) came, the Barangay Gulod Chairperson identified a lot where a local high school could be built. However, the LGU rejected his proposal because the lot was in the interior area and was difficult to access from the main road. Because of this, Mr. Tanigue suggested to the Gulod Urban Poor Alliance (GUPA) that they should instead use the lot for a housing project through the Community Mortgage Program (CMP).

The proposed project was entrusted to Hyder. However, during that time, Hyder was already a senior citizen and therefore was not qualified to be a president of a homeowners association (HOA) anymore. The Gulod Urban Poor Alliance then suggested that Nely, his wife, should be the president. At first, she adamantly refused because she did not know anything about leading an association. However, no one else in GUPA wanted to take on the role aside from Hyder, so they insisted that Nely become the president on paper while Hyder would perform the roles and functions of the position. Therefore, Nely reluctantly accepted the position. Whenever they conducted meetings, Hyder was the one who facilitated discussions because Nely was not confident enough to perform the tasks of a president.

After attending capacity-building seminars and workshops, Nely started to gain a better appreciation of their housing project. Nelly eventually noticed that she was already familiar with the tasks that a president should

be doing, so slowly but surely she gradually became more confident when speaking in public. Sometimes, her husband, the officers of GUPA, and some other members of Ernestville would encourage her and tell her that she could already fulfill the role of a president well. This gave Nely even more courage, so much so that after the term of the new president, Nely became the president again, and she still is up to this day.

Looking back at how things used to be, Nelly is thankful to the other officers for trusting her, and for being one with her in addressing community concerns as a collective entity. At present, Nely wants to step down and take a break from being the president of Ernestville HOA, but the other officers still want her to continue leading them.

Just a few years ago, Nely used to tremble and stutter when she talked in front of people, but now she can speak confidently, and people would listen to what she says. Whenever members have problems, they go to her and ask for her advice. Since she has gained the trust and confidence of the community members, Nelly wants to make sure that she can be of help to them and that she can assist them in solving the problems faced by their members.

Nely's tale is a leader's story of growth, and just like the story of the Ernestville community, it is a story of transformation for the better.

FOR MORE INFORMATION ABOUT THE PROJECT

This case study was written in August 2021 by Maria Cecilia M. Genzola, with contributions from Regine Anne B. Dela Paz, Juan Paulo M. Genzola, Ana Teresa L. Prondosa, Corazon Padul, Esmeralda Ocampo, Fernando Desaliza, Larema Dejarlo, Liezel Cabillos and Nely Akili, and editing assistance from Ericka Lynne Nava.

Please follow this link to see a video presentation about the Ernestville housing project from a joint World Bank - SHFC seminar on sustainable housing construction on June 15, 2015:

<https://www.youtube.com/watch?v=AocZwE660OY>

For more information about the Ernestville project, or about the many other housing projects assisted by FDUP, please contact:

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PHOTOS



For a majority of citizens in Barangay Gulod, in Quezon City, home is a make-shift shack made of tin sheets or cinder blocks in an informal community, where many face serious problems of flooding in the rainy season. Since 2007, many of these communities have come together and joined forces as the Gulod Urban Poor Alliance, to find ways to make things better.



When Typhoon Ketsana (called locally Typhoon Ondoy) hit Metro Manila in 2009, Barangay Gulod was one of the worst hit areas. Hundreds of families living in informal settlements along the Tullahan River saw their houses and belongings swept away and had to be evacuated.



After the 2009 typhoon, the Gulod Urban Poor Alliance carried out a survey to profile and map all the informal settlements in the barangay (sub-district), showing where the hazards and risks are greatest, and identifying vacant land for possible resettlement.



The survey made clear to everyone the need to find safe and secure land for families that was not prone to the kind of yearly flooding they had experienced along the Tullahan River. Lots of meetings followed in communities in the most dangerous areas.



A large meeting with community members to discuss the idea of a large resettlement project on vacant land right in the same barangay.

An early discussion with a team from the World Bank about piloting the government's new High Density Housing Program in Barangay Gulod.



This map of Barangay Gulod shows the 16 pieces of vacant land the Alliance identified during the survey, for possible resettlement.



An aerial photo of the 0.5-hectare land the new Ernestville community negotiated to collectively buy, with their savings and a CMP loan.



A photo of the the new land taken soon after the purchase was completed. The land is quite close to the people's former communities.

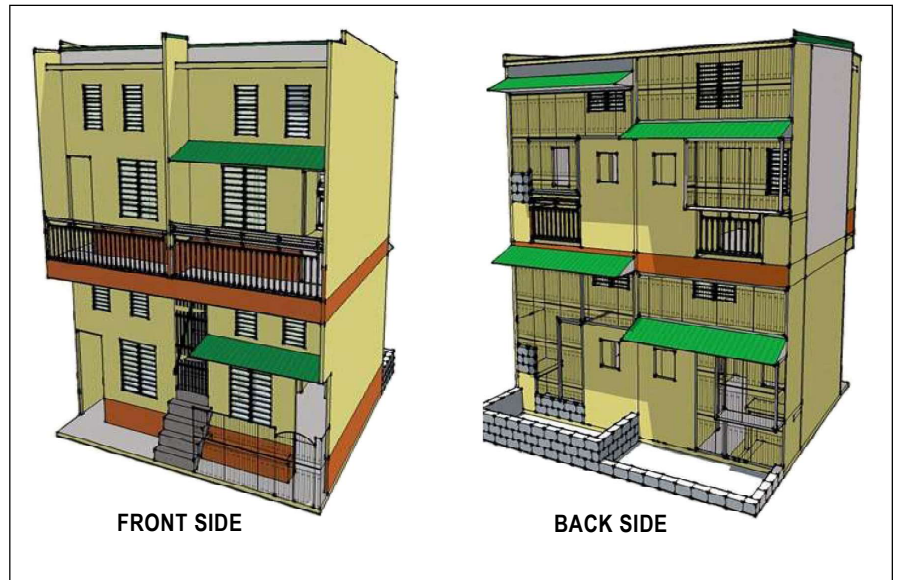


Architecture students from the University of Philippines helped the community develop some early housing plans for the new site.

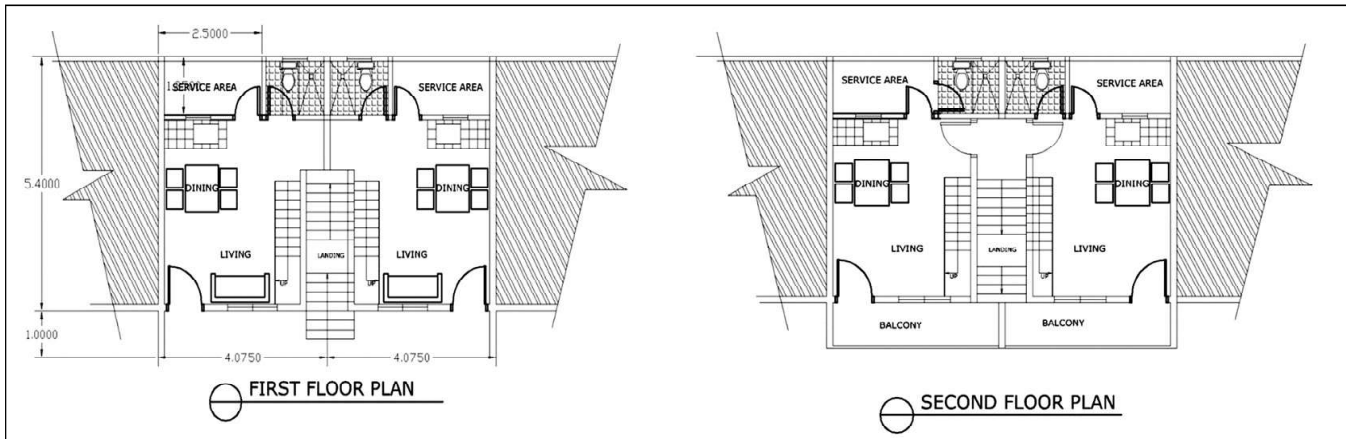


Once they had the land and a sure source of loans, the community design process began, with many planning workshops, many community meetings and many helpers from the support NGO (FDUP), the architects, the local government and the World Bank team.

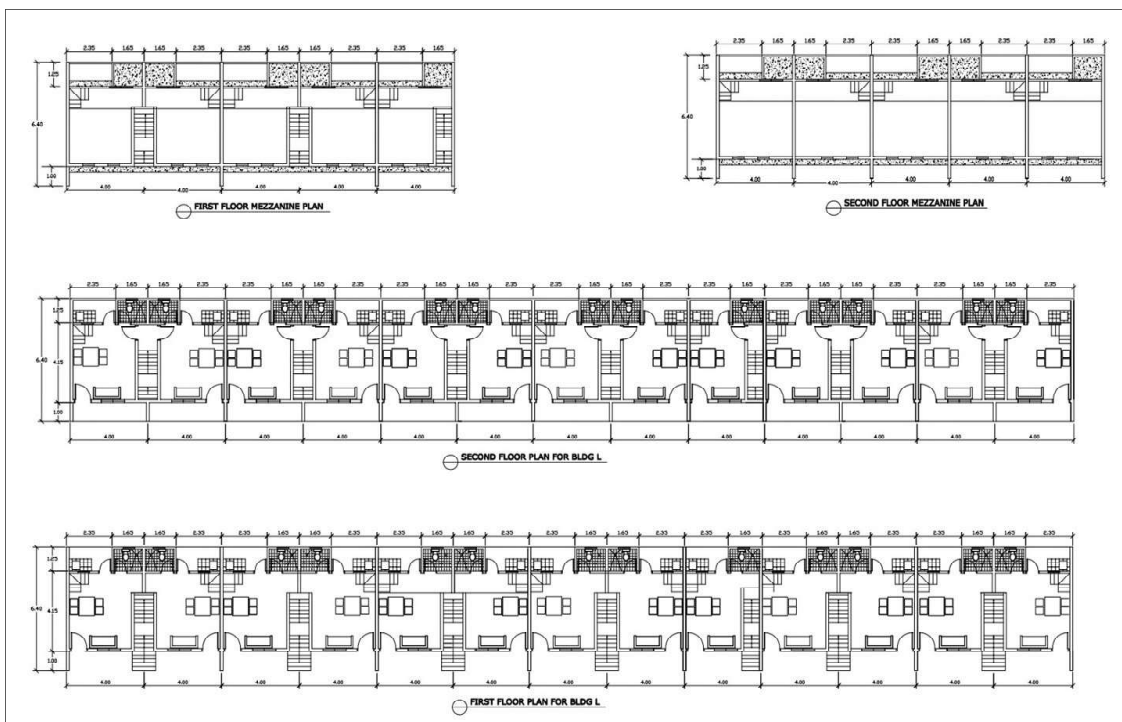




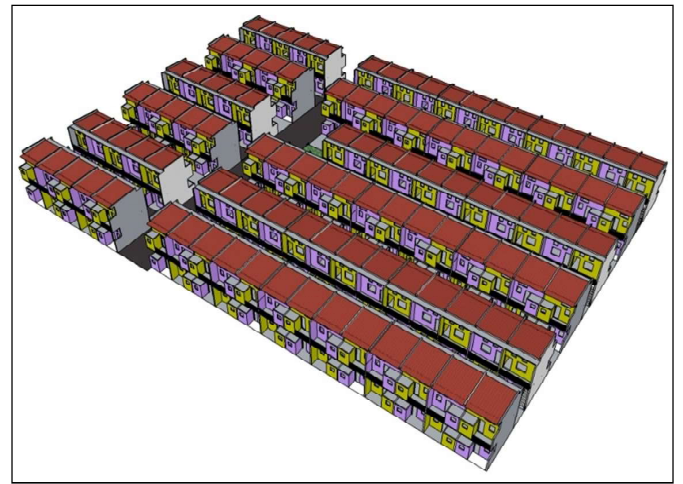
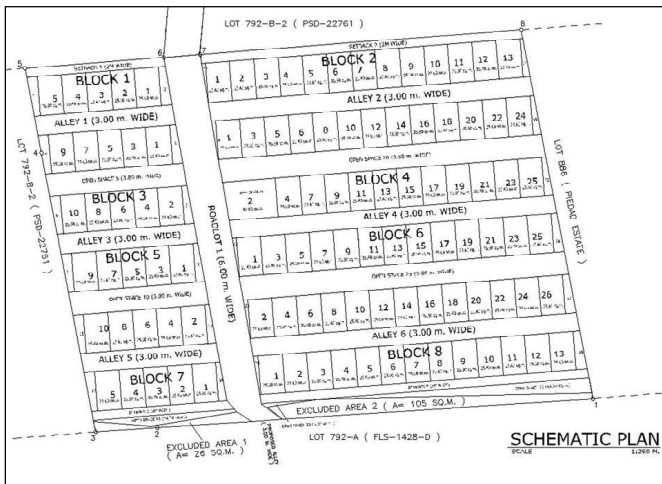
Because the new land was too small for everyone to have their own plot of land, the Ernestville community was obliged to get very creative about how to make a denser form of housing. In this final design, the units are stacked up on two levels and have 4-meter high ceilings, with room for internal mezzanines.



Plans of the Ernestville housing units, which have a main room, a bathroom, a kitchen and a balcony, with space for adding an internal mezzanine, for a total of 42 m² of living space.



This is the final plan of one block of 26 row-house units (13 units on the ground floor and 13 units above), with common walls and shared stairways for the upper units.



In the final layout, the blocks all have at least 3 meters of open space at front and back, so the units all have plenty of daylight from both sides and good cross ventilation.

Here is a computer-generated drawing that shows how all the blocks of housing fit on the site, with at total of 212 housing units.



The architecture students from the University of Philippines were a big help in the process of developing the basic design concepts of the Ernestville project.

This is a photo from an early meeting with a team from the building contractor that would build the housing project at Ernestville, using an unconventional building system.



Meetings with project supporters from the Department of Interior and Local Government and the Department of Social Welfare and Development.

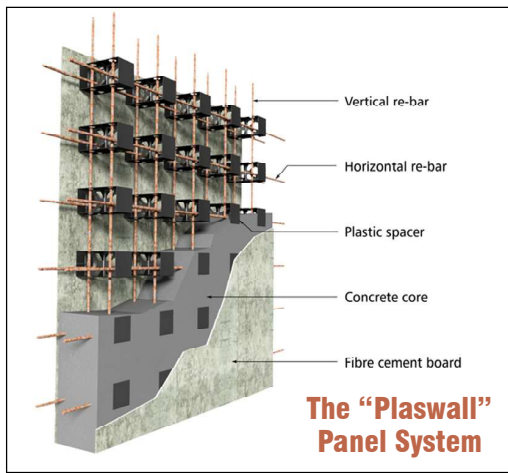
For a housing project this big, involving families from so many scattered communities, there was a need for plenty of meetings, big and small.



Some photos from the ground-breaking ceremony at the new land, in January 2012, with Mr. Jesse Robredo (who was then Secretary of the Interior and Local Government) presiding.



Some photos showing the project's infrastructure development: concrete roads and drains (on the left), and individual water meters and electricity connections (on the right).



1 The first step in this unconventional construction system is to glue plastic spacers to the fiber-cement panels which become the outside face of the walls.



2 Making a stack of wall panels, which can be assembled right on the site, as close to where they will be used as possible.



3 Here is a stack of wall panels ready to be propped up into place, to form the walls of the ground floor of one of the housing units.



4 Here you can see the wall panels all ready to be put up, in two adjacent units. The panels are made with window and door openings all ready.



5 In this photo, you can see the workers putting up the first wall panels in the ground floor units, and propping them temporarily in place with boards.



6 The wall panels, with the steel reinforcing and plumbing in place, are now ready for the concrete to be poured into the cavities between the boards.



7 Here the formwork for the concrete stairway up to the upper units is being built, as the walls of the first floor units go up around it.



8 This "Plaswall" construction system is something like building a house out of cards - but very strong and heavily-reinforced cards.



9 Here the formwork and steel reinforcing is being prepared so the concrete can be poured to make the floor slab for the second floor units.



10 Here the construction of the walls and floor slabs for both first and second floor units has been completed and is ready for the roofing.



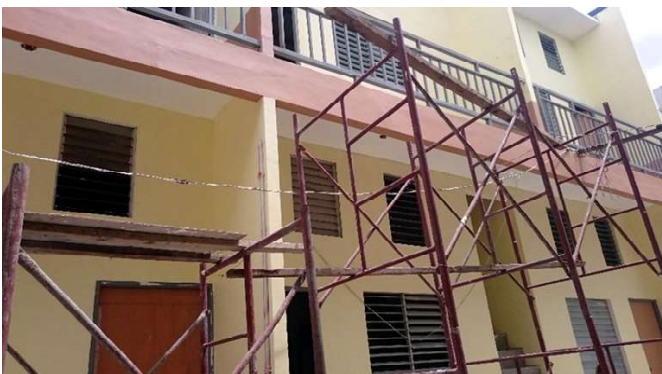
11 Here is the back side of a block of almost-completed housing units. The construction went fast and took just five or six months per building.



12 Although the housing was built by a professional contractor, the Ernestville community members kept close tabs on the work.



13 Because the wall panels are already quite smooth, very little plastering was required, and the painting could begin soon after completion.



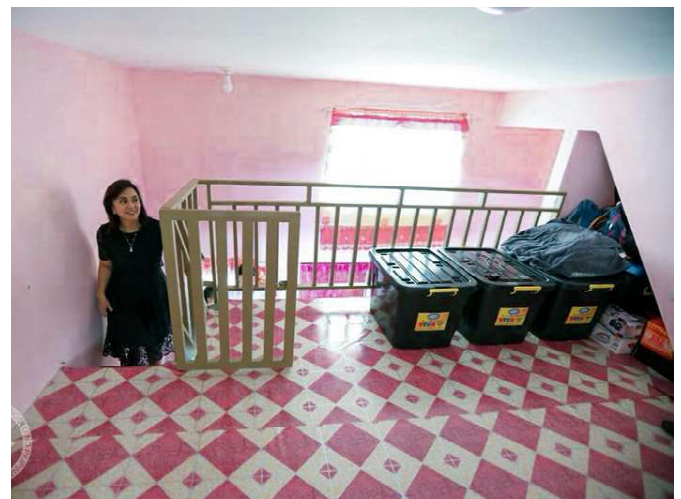
14 Here you can see the louvered glass windows and wooden doors have been installed, and the scaffolding is up to work on the painting.



15 The last step was organizing the allotment of units to the 212 families in the new Ernestville community, so they could start moving in.



Photos from the gala inauguration and turnover ceremony on Nov. 7, 2017, presided over by Ms. Leni Robredo, the Vice President of the Philippines.



During the inauguration ceremonies, the Vice President and all the distinguished guests and project partners were taken on a tour of the project. The tour included a visit inside this house, where the owner had already built a loft and stairway and transformed her "housing unit" into a welcoming home.



The two upper units are reached by this shared central stairway, and the two lower units are entered directly from the lane.



This gateway at the community entrance came in handy during the pandemic, when the government imposed strict lockdown measures.



Some photos showing how the Ernestville community looks after being occupied for a while, with flowers and greenery softening the hard edges. The basketball court and wider lanes are always favorite places for children to play.

