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Thesis

EARMARKED CONTRIBUTIONS FROM CAPTURED LAND VALUE

What do they do for social housing?

Sarah Redoblado

Supervisor: Carlos Morales-Schechinger

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Summary

The Urban Development and Housing Act (UDHA) of the Philippines incorporates three land value capture instruments that may be earmarked by local governments for delivery of housing services. These are the idle lands tax, the socialized housing tax, and the balanced housing requirement for developers.

More than 20 years after UDHA's enactment in 1992, and with at least 18% of the country's population needing new or upgraded housing, a wider use of the instruments might be expected. As of 2010, only eight of 121 cities and five of 80 provinces have imposed the idle lands tax. To date, Quezon City is the only local government with the socialized housing tax. Balanced housing is technically being implemented by national government for most local governments.

The opportunities offered by the resource-mobilizing instruments could be lost in local governments' unwillingness to impose new contributions, and unfamiliarity with their implementation. This thesis seeks to contribute to an understanding of these policies by documenting the implementation of the three instruments and their impact on social housing in Quezon City.

The three land value capture instruments are examined in this study according to the concepts of equity, efficiency and effectiveness. Equity is taken up as the concept of assessment equity, which is the measure of how well the tax system is administered in terms of assessed values (Plimmer, McCluskey and Conellan, 2000). Assessment equity has horizontal and vertical dimensions where uniformity of manner of assessment within and among the different classes of properties and taxpayers is seen as a key indicator of the fairness of the tax system.

The coefficient of dispersion (COD) is used as the indicator for horizontal equity in this study, while the price related differential (PRD) is used to indicate vertical equity. Sales data for vacant residential lands are used to derive COD and PRD.

Efficiency is examined using the factors in the tax revenue identity (Walters, 2011), namely, Base, Rate, Coverage, Valuation, and Collection. Taken together, the components indicate how much land value that could be captured is actually being captured.

In this study, Base and Rate are defined by the policies governing the implementation of the idle lands and socialized housing taxes, and the balanced housing policy in Quezon City. Coverage, Valuation and Collection are the administrative components quantified by the data found on the proportion of properties in the tax rolls, the proportion of identified taxable value, and the proportion of collections to total tax dues.

Effectiveness is defined as the success of resources in achieving the objectives set for their utilization (Mandl et al, 2008). As contributions earmarked for housing the poor, the idle lands tax, socialized housing tax, and balanced housing are analyzed by the information gathered on the quantity and quality of housing delivered to the intended market.

The findings of this study indicate that the land taxes in Quezon City are outside the acceptable standard for assessment equity, horizontally or vertically, with the taxes tending to

be regressive. The balanced housing guidelines are inherently inequitable, being non-uniform in the calculation of values for compliance.

The instruments are also at a low level of efficiency, with the factors of Rate, Valuation and Collection found to be the limiting factors. For balanced housing, the level of efficiency is not quantifiable in the period of study as Rate and Valuation are variable, and Collection is unknown.

The idle lands and socialized housing taxes have so far not resulted in dramatic change in quantities of housing production. However, if the committed and pipeline projects funded by the earmarked taxes proceed as planned, the number of units produced will be higher per year. The city will also be utilizing more of its locally generated funds in land purchase and land development, rather than merely providing assistance for beneficiaries to access nationally operated financing programs. On the other hand, the responsibility for effectiveness of the balanced housing policy remains borne by national government agencies and cannot be accounted at the city government level.

Over-all, the three land value capture instruments present deficiencies in the areas of equity, efficiency and effectiveness. However, the findings also present opportunities for how those areas can be improved, and the findings do not as yet detect negative effects on social housing delivery or its intended beneficiaries. When local governments can make the political decision to implement the land value capture instruments and at the same time address the identified areas for improvement, then the idle lands tax, socialized housing tax, and balanced housing policy may start to be seen as appropriately earmarked for social housing.

Keywords

Land value capture, earmarking, idle lands tax, socialized housing tax, balanced housing

Acknowledgments

Abbreviations

AV	Assessed values
BLGF	Bureau of Local Government Finance
CMP	Community Mortgage Program
COD	Coefficient of dispersion
CPDO	City Planning and Development Office
DOF	Department of Finance
HCDRD	Housing, Community Development and Resettlement Department
HDMF	Home Development Mutual Fund
HH	Households
HLURB	Housing and Land Use Regulatory Board
HUDCC	Housing and Urban Development Coordinating Council
IAAO	International Association of Assessing Officers
IRR	Implementing Rules and Regulations
LGC	Local Government Code
LHB	Local Housing Board
MV	Market values
NHA	National Housing Authority
NSCB	National Statistical Coordinating Board
NSO	National Statistics Office
PRD	Price related differential
QC	Quezon City
QC-ITDO	Quezon City – Information Technology Development Office
SAU	Subdivision Administration Unit
SHFC	Social Housing Finance Corporation
UDHA	Urban Development and Housing Act

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Chapter 1: Introduction

1.1 Background

1.1.1 Property-related mechanisms in local government funding

As decentralization approaches the norm in public administration globally, local governments have been pressured to generate increasing revenues for the services they have to provide. One of the instruments for revenue generation most familiar to local governments is the annual property tax. The property tax contributes significantly to the general fund of local governments, which is allocated to various development sectors such as social services, infrastructure, economic support services, and growing more visible lately, environmental management.

Researchers and writers on the property tax such as Walters and De Cesare argue that there is much room for improvement in the performance of property tax (Walters, 2011; De Cesare, 2012), and therefore in the improvement of revenues, especially in developing countries. Be that as it may, other mechanisms that are property-related, but distinct from the property tax, have evolved to address the apparent funding shortfall that yearly confronts local governments.

Walters divides the array of property-related mechanisms into 1) fees and taxes and 2) nontax value capture tools. To the first group belongs the property tax as well as development fees, estate tax, capital gains tax, transfer tax and stamp tax, betterment tax, and land rent or lease. In the second group are mechanisms such as developer land sale, project-related land sale, and tax increment financing (Walters, 2012). Some of these mechanisms, like the betterment tax, sale of development rights and tax increment financing, may be intended or ‘earmarked’ for specific purposes or infrastructure.

Earmarking is the practice of keeping separate from general revenue all revenue from a particular tax or obligation, and using such revenue only for a specific program (Carling, 2007). Earmarking is done by law and not by executive action. Through the practice of earmarking, popular local programs or services in sectors such as education, health and housing are able to obtain contributions from taxpayers in addition to the basic property tax.

1.1.2 The case of the Philippines’ Urban Development and Housing Act and its implementation in Quezon City

The practice of earmarking local government revenues for specific social services is demonstrated in the housing sector in the Philippines. A year after decentralization was institutionalized in 1991 by the Local Government Code (LGC), the Urban Development and Housing Act (UDHA) created mechanisms to generate resources for the promotion of “socialized housing”¹ by local government.

¹ “Socialized housing” is defined in Sec. 3r of the Urban Development and Housing Act as “housing programs and projects covering houses and lots or homelots only undertaken by the Government or the private sector for underprivileged and homeless citizens.” In Philippine usage, it is roughly equivalent to “affordable housing.”

Without these mechanisms, housing has to compete with equally compelling programs that need to be financed from the local government's general fund, which is made up of local tax and non-tax revenues, and inter-governmental transfers.

Among the major expenditure categories (in the Philippines, these are: General public services, Economic services, Education, Health, Debt service, Social services and welfare, Housing, and Labor and employment), housing typically gets one of the smallest portions of the local government budget (BLGF-DOF, 2008). Nationally, less than 2% of local government expenditures go to housing, while for cities alone, the comparative percentage is only slightly higher at less than 3% (BLGF-DOF, 2008).

Housing need not be limited to the general fund though because the two laws mentioned above provide means for mobilizing additional resources purposely (earmarking) for social housing. The LGC and the UDHA authorize local governments to employ the following:

- Tax on idle lands – an additional ad valorem tax up to 5% of the assessed value of the property in addition to the basic real property tax (*LGC 1991, Sections 236-239; UDHA 1992, Section 42[e]*). As a surcharge on the property tax, this tax is assessed and paid annually by owners of land that meet the legal definition of being “idle”.
- Socialized housing tax– an additional 0.5% tax on the assessed value of all lands in urban areas in excess of PHP 50,000 (about US\$ 1,960 in 1992, the year UDHA became law) (*UDHA 1992, Section 43*). This tax is also assessed and paid annually with the property tax.
- Balanced housing² – a requirement for developers of subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or project cost, in the same city or municipality (*UDHA 1992, Section 18*). However, other means of compliance have come to be allowed.

With property taxes firmly in the realm of local governments in the Philippines (*LGC 1991, Section 132*), it is not surprising that the resource mobilization mechanisms for housing in UDHA would be property-related. In international literature, property-related mechanisms such as these that are employed by the government to mobilize resources for the public good are sometimes referred to as value capture mechanisms, where “property” refers to both land and improvements. Mechanisms that are solely based on land values are referred to as instruments of land value capture.

But even with the mandate from national legislation dating from the early 1990s, only a handful of cities have taken up the three above-listed mechanisms in order to improve delivery of housing services to their constituents. As of 2010, only eight out of the country's 121 cities³, and only five out of 80 provinces⁴ were collecting idle lands tax (BLGF in Philippines Today, 2010). Quezon City is the only city so far to have enacted a local ordinance to implement the socialized housing tax (Quezon City, 2013k). Balanced housing

² If implemented in the same city or municipality, as described in Section 18 of UDHA, “balanced housing” is equivalent to the mechanism of inclusionary housing in other countries.

³ Cities in the Philippines are a tier of local government differentiated from municipalities by a) the amount of autonomy they enjoy, especially from provincial administrative supervision, b) population and c) income.

⁴ Provinces and cities are the tiers of government tasked in the Local Government Code with responsibility for housing services.

got a much earlier start, with the issuance of development permits serving as tool for developers' compliance with this policy.

Quezon City is thus the only city that can provide insight into the three instruments for land value capture provided by the UDHA and the LGC. The data for this research will come from the implementation of the three instruments in Quezon City.

Figure 1. Index Map of Quezon City

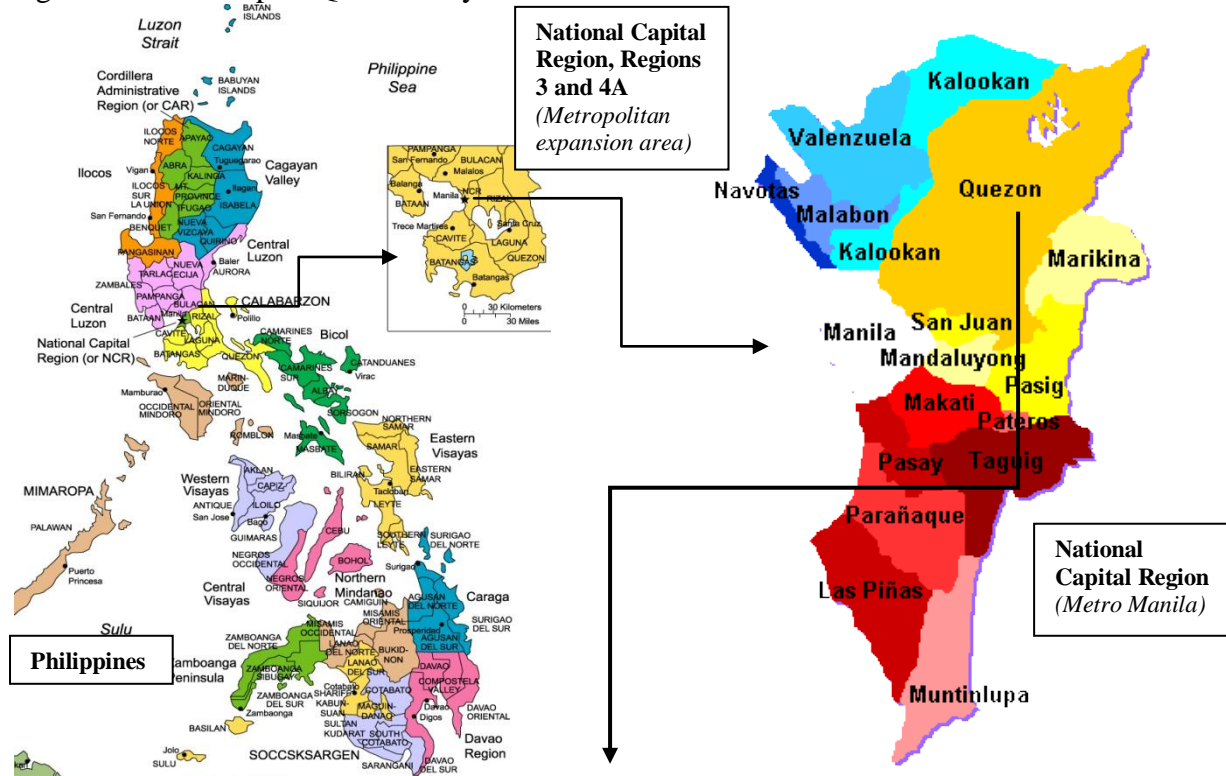


Table 1. Population and Land Area

	Population	Land area (sq km)
Philippines	92,337,852	300,000
National Capital Region, Regions 3 and 4A	34,604,515	39,278
National Capital Region	11,855,975	620
Quezon City	2,761,720	166

Sources:
 2010 Census of Population and Housing
 2010 Total Population, Land Area, and Population Density by Region

Sources of images: www.quezoncity.gov.ph,
www.freeusaandworldmap.com

1.2 Problem Statement

The housing need in the Philippines is not growing smaller, especially with the frequent severe flooding experienced in recent years, which more clearly revealed the extent of settlements in precarious situations. Responding to the housing need is a big concern for local governments, with many unable to take action because of the huge resources required.

Below are the population and housing figures for Quezon City and the whole of the Philippines for calendar year 2010. The table adopts the typology used by the Quezon City government and the Housing and Urban Development Coordinating Council (HUDCC) in characterizing the local and national housing need respectively.

Table 2. Comparative Data for Housing, Calendar Year 2010

	Quezon City	Philippines
Total population	2,761,720 ⁵	92,337,852 ⁶
Total households (HH)	657,917 ⁷	20,171,899 ⁸
Total housing need	276,096 ⁹	3,633,972 ¹⁰
Percentage of Total housing need to Total HHs	41.96%	18.02%
HH in unacceptable housing (Homeless; Dilapidated/condemned; Marginal housing (including informal settlers)	35,249 ¹¹	931,611 ¹²
Doubled-up ¹³ HH in acceptable housing	31,631 ¹⁴	448,926 ¹⁵
Allowance for inventory losses		890,628 ¹⁶
Structural upgrading need	7,844 ¹⁷	
New HHs (Likely to afford to rent/own acceptable housing)		1,362,807 ¹⁸
Tenurial and infrastructural upgrading need	201,372 ¹⁹	

The table lists the population of Quezon City at more than 2.76 million as of the 2010 Census of Population and Housing (NSO, 2012), which makes it the city with the largest population in the country, making up about a quarter of the population of Metro Manila, of which it is part.

The table also shows that in 2010, almost 42% of households in Quezon City needed new housing, more than double the comparative figure of about 18% for the country as a whole. In

⁵ 2010 Census of Population and Housing – National Capital Region

⁶ 2010 Census of Population and Housing

⁷ Estimate given in Quezon City Shelter Plan 2011

⁸ National Quickstat as of April 2013

⁹ Sum of (HH in unacceptable housing + Doubled-up HH + Structural upgrading need + Tenurial upgrading need) from Quezon City Shelter Plan 2011

¹⁰ HUDCC Estimate of Housing Needs 2007-2016

¹¹ Sum of (Unacceptable housing units + Homeless + Displaced units) from Quezon City Shelter Plan 2011

¹² HUDCC Estimate of Housing Needs 2007-2016

¹³ Two or more households sharing one housing unit

¹⁴ QC Shelter Plan 2011

¹⁵ HUDCC Estimate of Housing Needs 2007-2016

¹⁶ HUDCC Estimate of Housing Needs 2007-2016

¹⁷ QC Shelter Plan 2011

¹⁸ From base year 2007. HUDCC Estimate of Housing Needs 2007-2016

¹⁹ QC Shelter Plan 2011

contrast to that scale of need, city records also indicate that the average annual production from 2000 to 2010 in Quezon City was 2,003 units of socialized housing and 2,649 units of open-market housing, or a total of 4,652 housing units yearly (Quezon City, 2011). The annual production of 4,652 units from 2000 to 2010 is less than 2% of the accumulated housing need as of 2010.

In financial terms, Quezon City's requirement for the housing component, computed at just the current ceiling of PHP 400,000 (US\$ 9,699²⁰) for socialized housing (*HUDCC MC 2008-01*), amounts to more than PHP 110.4 Billion (US\$ 2.68 Billion). The entire gross revenue of the city for 2012 was about PHP 13.1 Billion (Quezon City, 2013i) (US\$ 317.48 Million). This means that the total revenue of the city for one year, which it has to divide among many programs and services, is less than 10% of the total financial requirement for housing as of 2010.

As previously noted, national legislation recognizes the severity of the housing need, gives local governments a leading role in addressing the need, and provides them with various means to mobilize additional resources to address such need. These means are principally the idle lands tax, the socialized housing tax, and the balanced housing policy.

However, introducing new obligations to constituents is never easy for government officials who are regularly up for election. Policy studies in the Philippines find that a major constraint cited by local governments for wider application of fiscal instruments is the lack of clear implementation guidelines (Boo, 2007 in Gomez, 2010). A contrary view is that the guidelines are clear enough, but the unpopularity of the obligations outweighs their gains in the eyes of local government officials (Gomez, 2010).

In the face of such perceptions, as well as the opportunities offered by the land value capture instruments, documentation of their implementation and impact as earmarked contributions could help enlighten local governments and other housing stakeholders in determining whether or not such instruments are appropriate means for improving social housing delivery.

1.3 Research Objective

Using the case of Quezon City then, the research seeks to describe and gain insight on how the design and implementation of the idle lands tax, the socialized housing tax, and the balanced housing policy affect the outcomes of social housing delivery.

1.4 Provisional Research Questions

The main question that the research seeks to answer is: Are earmarked contributions appropriate ways of capturing land value for social housing?

The above main question is broken down into the following specific questions:

²⁰ All conversion on this page is at US\$ 1 = PHP 41.24, as per 2013 average, Peso – US Dollar Watch, National Statistical Coordinating Board.

1. Are the idle lands tax, socialized housing tax, and balanced housing policy equitable in the manner of obtaining contributions derived from land value?
2. Are they efficient in capturing land value?
3. Are they effective in fulfilling the objective of providing for social housing?

1.5 Significance of the Study

The research will establish a baseline and offer a methodology for assessing the effectiveness of the contributions that local governments earmark for social housing, as delineated in Philippine laws. Locally mobilized housing resources, namely the idle lands tax, socialized housing tax, and balanced housing policy, are not as well-documented as the nationally administered mortgage mechanism, also mandated by UDHA, called the Community Mortgage Program (CMP), which has been the subject of a case study commissioned by UN Habitat in 2009.

This study seeks to inform local and national policymaking in promoting or modifying the practice for the three types of contributions in order to better serve the delivery of social housing. Documentation and analysis of cases where the instruments have been applied is intended to be useful to various groups involved in housing, such as:

- officials and administrators of other cities in the Philippines who may need clearer directions on a way forward for implementing the instruments, and the implications of doing so;
- taxpayers and developers who may be looking for validation that their contribution will be suitably levied and utilized;
- legislators and civil society organizations who continue to review the provisions of the Urban Development and Housing Act;
- the Quezon City local government and housing stakeholders who will benefit from knowing which mechanism, among the three subjects of this study, is more efficient for the local government's administration, and with better chances of showing good results for social housing.

The research also seeks to add to the body of knowledge on property-related taxes and obligations. The results will show how land value capture instruments may have been adapted in the Philippine context in order to gain a foothold for fiscal and non-fiscal contributions to social housing.

1.6 Scope and Limitations

The Urban Development and Housing Act enables the use of other financing mechanisms such as mortgage (Community Mortgage Program) and subsidy (exemption from capital gains tax for sellers of land to be used for social housing provision). Conceivably, these other mechanisms are exerting an influence on the outcomes of the idle lands tax, socialized housing tax and balanced housing. However, this study will not be able to analyze the aspect of the possible relationship of the three value capture instruments (idle lands tax, socialized

housing tax, balanced housing) with the other available financing mechanisms (mortgage and subsidy).

Secondly, this study focuses on the three instruments as implemented in Quezon City. The country's statutory framework allows cities room to localize or add certain features to the national guideline. Also, Quezon City cannot be said to be an average-sized Philippine city in terms of population or income. It is one of the very few cities in the Philippines that have been able to report budget surpluses, and it has the biggest population. The features of implementation in Quezon City may therefore have a number of differences with how the instruments could be implemented in other cities.

Chapter 2: Literature review

2.1 State of the Art of the Theories of the Study

This section is divided into two main parts. The first gives some definitions relevant to land value capture and various instruments relevant to this research. The second part takes up the criteria in the research questions for examining land value capture instruments – equity, efficiency, and effectiveness – as they are conceptualized in the literature of value capture.

2.1.1 Some concepts in land value capture

2.1.1.1 Land value capture

Land value capture is the public sector practice of taking, for the benefit of the community, through fiscal and non-fiscal means, the increases in land value resulting from collective action such as public infrastructure investments, public approval of land use changes, and population growth (Smolka and Amborski, 2000).

Ingram and Hong (2012) reiterate this definition of land value capture even as they say that increases in land value resulting from private investments and productivity should remain in private hands. Property value factors like improvements made by landowners and the original productivity of the land paid for by the current owner therefore are not included in the concept of land value capture by the public sector (Ingram and Hong, 2012).

The United Nations Human Settlements Programme (1976, p. 30) itself embeds the principle of land value capture in its founding document, the Vancouver Action Plan, where the following is recommended under the agenda item of Land: *“The unearned increment resulting from the rise in land values resulting from change in use of land, from public investment or decision, or due to the general growth of the community must be subject to appropriate recapture by public bodies...”*

2.1.1.2 Land and property taxes and fees

Land and property taxes and fees are distinguished from other taxes by having land and immovable improvements as their base, in the same way that the base of the income tax is personal or business income, and the base of the value added tax is the price of a good, going from one stage of the value chain to the next (Walters, 2011).

Land and property taxes are diverse and range from one-time payments like development fees, inheritance tax, and capital gains tax, to recurring payments like annual property taxes and land rents and leases (Walters, 2011).

The definition of land value capture above conceptually distinguishes the increases in value in the land component of properties, from increases in value due to privately invested improvements, even if in most cases land and improvements are assessed as one.

2.1.1.3 Tax on vacant or idle lands

Undeveloped land is the base of the vacant or idle lands tax. This type of tax usually has a rate higher than the rate given to land with improvements. Morales Schechinger (2007) offers three reasons for imposing a higher rate on vacant land:

- To induce owners to undertake development on their land;
- To bear the costs of extending infrastructure networks to the peripheral areas, given that network capacities are wasted in central areas by the presence of vacant land; and
- To recover for the State land value increment that was generated collectively.

This conception leads to a treatment of vacant land that taxes it as if it is developed (Morales Schechinger, 2007).

However, authors like Bird and Slack (2002 and 2006) challenge the purpose of imposing a higher rate on vacant land, writing that there is little evidence that “non-fiscal” purposes such as discouraging holding of idle land have ever been achieved. Fainstein (2012) agrees that taxing undeveloped land cannot wholly discourage speculation unless the tax is based on 100 percent of increased value (which view also seems to correspond with Morales Schechinger).

Writing after the mortgage crisis in the US, Mallach and Vey (2011) note the harmful effect of vacant land and abandoned buildings on the local economy and fiscal health. A result of the foreclosures during the crisis, these types of properties were looked on as “major potential assets” for their communities (Mallach and Vey, 2011).

Among the tools Mallach and Vey list to address vacant or blighted land and buildings is the Vacant Property Registration Fee Ordinance enacted by Wilmington, Delaware, to pay a fee that increases annually for ten years. Mallach and Vey look on such fees as the cost of the problem properties to the community. The fees should pay for increased fire safety and police services, building code enforcement, property maintenance, demolition, and reduced quality of life and value of surrounding properties (Mallach and Vey, 2011).

2.1.1.4 Betterment tax, tax increment financing (TIF), and temporary property tax rate increase

The betterment tax, TIF, and temporary property tax rate increase are included in this literature review as the theoretical bases of analysis for the socialized housing tax in Quezon City. The socialized housing tax, as legislated in the city ordinance, features the characteristics of a) public infrastructure investment, b) borrowing against future taxes, and c) having a fixed number of years for collection. These are features that are demonstrated, in one way or another, by the three instruments that are discussed in this section.

Walters describes the betterment tax as an instrument to capture the land value increment that “often results when infrastructure is improved or permission is granted to change land use” (Walters, 2012). It is classified among the one-time fees, and its base is the difference in the value of property from the time before and after the public infrastructure investment was made or land use change was granted (Walters, 2012).

Booth (2012) proposes that the approach to collection of betterment value depends at least in part on the definition of its purpose. Is it offsetting external impacts of development projects? Funding infrastructure within a given locality? For the general interest and for the public

good because property in land is not wholly a private interest? (Booth, 2012) He concludes that resolutions will reflect countries' varying statutory frameworks.

Smolka (2013) illustrates the betterment charge by listing the considerations for estimating and distributing the charge among beneficiaries of the project funded by the betterment contributions. These considerations are:

- Total cost of project or investment to be recovered
- Overall land value increment, valorization, or benefits resulting from the investment
- Definition of the impacted area and identification of all benefited properties
- Criteria to distribute the charge among beneficiaries
- Payment schedule for the charges

(Smolka, 2013)

Tax increment financing (TIF), on the other hand, is characterized by Walters (2012) as a financing mechanism rather than a method to increase tax revenues, although he also cites several authors whose writings appear to support TIF as a land value capture mechanism (Carroll, 2008; Byrne, 2006; Zhao, Das and Larson, 2011; in Walters, 2012).

The TIF concept makes use of designated districts where developments are planned, and differences in land values (resulting from the planned developments) are calculated. The difference in land values leads to increased property taxes. In the US, states borrow against this future increase in property taxes in order to fund specific infrastructure, services or debts (Walters, 2012).

Weber and Goddeeris (2007) explains the mechanics of TIF as having the following requirements:

- A "base value" or "initial assessed value" that serves as the baseline for measuring eventual increase in property taxes as a result of redevelopment
- TIF-funded public incentives to attract private development
- The "value increment" or the difference between the base value and the new assessed value, which results in a tax increment
- Channelling of the tax increment to a TIF authority for use in financing any debt accumulated for redevelopment

(Weber and Goddeeris, 2007)

The third mechanism discussed in this section is the temporary property tax rate increase. Smolka cites the example of Buenos Aires to illustrate how an additional charge can be collected to finance "large-scale urban infrastructure that benefits all residents directly or indirectly in proportion to their property values" (2013, p. 23). To finance a new subway line, a law was created in Buenos Aires in 1987 adding five percent to the property taxes of all city residents, and another surcharge of 2.4 percent to residents living within 400 meters of the subway stations.

Another example is Chile, which applied a surcharge of 0.275% in the years 2011 and 2012 on real estate with fiscal value over US\$ 202,207 (Deloitte, 2011). This temporary increase of property tax, along with other tax measures, was intended to finance reconstruction after the February 2010 earthquake.

In 2011 when it was facing default on its its obligations with international financing institutions, Greece also used this measure to raise billions of euros to qualify for bailout

(Kitsantonis, 2011). The emergency tax, or so-called second property tax, was intended to be collected annually until 2014, but was later merged with the regular property tax effective January 2014.

These examples indicate that temporary property tax increases or surcharges tend to be earmarked for specific purposes.

2.1.1.5 Inclusionary housing and fees-in-lieu

Inclusionary housing and linkage fees are not in Walters' list of property-related mechanisms. But the practices belong to the list of nontax value capture tools, especially in the light of the trend for public-private sector cooperation in delivering traditional public services like housing.

Calavita and Mallach provide a comprehensive overview of inclusionary housing in the book *Inclusionary Housing in International Perspective* (2010). The first article, which introduces the concept and international history of inclusionary housing, opens with the definition: "Inclusionary housing is a means of using the planning system to create affordable housing and foster social inclusion by capturing resources created through the marketplace" (Calavita and Mallach, 2010a). The definition has four components – a) use of the planning system, b) provision of affordable housing, c) social inclusion, and d) harnessing of market resources.

Given the last component above, it may not be surprising that Calavita and Mallach (2010b), as well as Voith and Wachter (2012) conclude that inclusionary housing has stronger chances of succeeding in strong rather than in weak market environments.

The definition of inclusionary housing is given more nuance in *Inclusionary Housing's* last article, also written by Calavita and Mallach: ". . . the most fundamental purpose of enacting inclusionary housing is to create housing that is affordable to those who cannot effectively compete in the marketplace. Land value recapture is a means to that end, while social inclusion can come into being only to the extent that the inclusionary housing system actually produces affordable housing," (2010b, p. 369). In this statement, the balance between the inclusionary housing components of affordable housing and social inclusion appears to be tilting more towards affordable housing.

Voith and Wachter add another dimension to the affordability of homes provided by inclusionary housing programs. They express a concern for "durable" affordable housing, which means "permanently available at a reduced cost" (2012, p. 262)

They see this condition as hard to achieve in an environment of competitive communities because of the conflict between short-run maximization of tax revenues, where sale and resale of housing at high market rates is desirable, and what they call long-run "optimization of community wealth" where affordable housing is preserved to the extent of being offered at below-market rates to low-income households (2012, p. 269).

Calavita and Mallach describe "in-lieu" cash payments as a variation of inclusionary housing where developers make a contribution to a trust fund, or donate land off-site (Calavita and Mallach, 2010a).

Evans-Cowley places fees-in-lieu among developer exactions along with linkage fees and impact fees (Evans-Cowley, 2006). A developer could choose to pay fees instead of providing a public facility on-site when it would be impractical to do so. This arrangement is supposed to give local governments flexibility on where to site public facilities so as to best serve their communities (Evans-Cowley, 2006).

The literature on inclusionary housing and fees-in-lieu will serve as the theoretical frame for examining the implementation of the balanced housing policy in the Philippines. Although the provision in UDHA that created the balanced housing policy reads like its first intent is inclusionary housing, subsequent developments in the UDHA's Implementing Rules and Regulations (IRR) now allow modes of compliance that are more like fees-in-lieu.

2.1.1.6 Earmarking

In *Tax Earmarking: Is It Good Practice?* (2007), Carling defines the “pure” or “strong” form of tax earmarking or “hypothecation” as keeping separate from general revenue all revenue from a particular tax, such revenue to be used only for a specific government program, and fully funds it.

When these conditions are met, he sees earmarking as beneficial in that it leads to better fiscal choices by taxpayers who are informed of the true costs of expenditure programs. The allocation of resources would then be more in line with public preferences than would be the case with general funding (Carling, 2007).

However, Carling sees more use of what he calls “soft” forms of earmarking rather than “strong”, possibly as governments’ way of addressing the rigidities imposed on budgeting by the “strong” form of earmarking. “Soft” earmarking uses the earmarked revenues only to partly fund or top up general revenues applied to the same program, while “strong” earmarking would fully fund it.

“Soft” earmarking has several dangers that include:

- Lack of transparency on the true costs of the program they are paying for;
- Creation of a bigger public sector by leaving in place the non-transparent programs in addition to the transparent programs;
- Promoting inefficiency by tapping additional resources for new priorities instead of searching for savings from existing expenditures; and
- Making earmarking meaningless due to the elasticity of the general funding component.

(Carling, 2007)

The idle lands tax, socialized housing tax, and balanced housing policy are all mechanisms for earmarking contributions to housing provision for the poor in Quezon City.

2.1.2 Selected criteria for analysis

2.1.2.1 Equity

Equity is discussed in literature in many ways, at times related to notions of fairness, at times with justice. But Plimmer, McCluskey and Conellan (2000) differentiate between fairness and equity, relating fairness to the legislation promulgating the tax, which may allow preferential treatment for certain taxpayers or types of property. On the other hand, the

authors denote equity in taxation as “assessment equity”, which is the measure of how well the property tax system is administered in terms of assessed values (Plimmer, McCluskey and Conellan, 2000).

Assessment equity is further discussed by Plimmer et al as either horizontal equity (two properties of the same value should have the same assessed value), or vertical equity (a property with twice the value of another property should have twice the assessed value). The concept of vertical equity gives rise to the concepts of regressivity (higher-value properties are under-assessed relative to lower-value properties) and progressivity (lower-value properties are under-assessed relative to higher-value properties).

For the methodology of assessment equity, De Cesare and Ruddock provide the basic text in *A New Approach to the Analysis of Assessment Equity* (1998). In their methodology, the coefficient of dispersion (COD) is used as indicator for horizontal inequity or assessment bias, while the price related differential (PRD) is used to indicate the degree of vertical inequity or assessment bias. COD and PRD are calculated using regression analysis with two variables – assessed values and sales prices. Alternatively, multiple variables can be introduced to substitute for sales prices in order to identify factors causing assessment bias.

Other writers like Kerr, Aitken and Grimes (2004), Soule and Bluestone (2005), Bahl and Martinez-Vazquez (2007), Connolly and Bell (2009), and Sjoquist and Stephenson (2009) also take up this definition of equity, especially vertical equity, in their studies of various revenue-raising instruments in different development contexts.

Case (1986) associates equity with both fairness and justice, which may mean more equal distribution of income or poverty alleviation. Kerr, Aitken and Grimes (2004) add the following: equality of opportunity relative to equality of outcome, equity based on access to services, and consistency relative to distribution of costs. Slack (2013) relates equity to ability to pay, which connects to vertical equity, but also adds the notion of equity based on benefits received.

For the rest of the chapters in this study, the concept of equity will be taken up as assessment equity, in both the horizontal and vertical aspects.

2.1.2.2 Efficiency

Some references to efficiency in taxation get close to the language of Pareto efficiency, although the point of most authors is rather Pareto improvement where efficient change makes some people better off and no one worse off (Case, 1986), not the state of Pareto optimality where no one could be made better off without making another person worse off.

Nechyba (2001) explains that taxes can have an income effect (the reduction in real income due to tax payment results in a taxpayer’s change in choices) or a substitution effect (the existence of the tax changes relative prices, and gives incentives to taxpayers to substitute non-taxed goods for taxed goods). The latter results in economic distortion, the taxpayer is worse off, and government gets no revenue.

Nechyba and other authors cite the land tax as having no substitution effect while the property tax distorts the cost of making improvements to the property. Another case of substitution happens at the thresholds of bands when tax rates are set by bands.

Other authors touch on the aspect of economic efficiency that refers to the use of resources or revenues to provide the desired level of public goods. Sjoquist and Stephenson (2009) analyse welfare benefit or loss, while De Cesare (2012) and Bahl and Martinez-Vazquez (2007) examine the administrative side of the revenue sources.

Taxes can be considered inefficient when poor administration makes the investment in taxation a losing proposition (Bahl and Martinez-Vazquez, 2007), or when taxation leads to more constricted land supply and less affordable housing (Soule and Bluestone, 2005).

Focusing on tax administration, De Cesare (2012) offers a number of indicators for the measurement of performance of property tax systems. The indicators come under the general concerns of a) cadastral records, b) property assessment, c) tax collection and enforcement, d) public relations such as taxpayer satisfaction and claims and appeals, and e) global issues such as the tax authority's fiscal independence, proportion of the property tax to local tax revenues, property tax revenue per capita, proportion of revenues to assessments, and comparison of administrative costs to revenues generated (De Cesare, 2012).

Many of De Cesare's indicators correspond with Walters' five variables in his conception of the tax revenue identity in *Land and Property Tax: A Policy Guide* (2011):

- The value of the base as legally defined (Base)
- The rate as set by law and policy (Rate)
- The proportion of all land that should legally appear on the tax rolls that actually is included in the fiscal cadastre (Coverage)
- The proportion of taxable value that is identified by the valuation process (Valuation)
- The proportion of the tax levied that is actually collected (Collection)

(2011, p. 31)

The first two items in the list above are classified by Walters as policy variables, while the last three are administrative factors. The variables relate as follows:

Figure 2. Tax Revenue Identity

$\text{Revenue} = \text{Base} \times \text{Rate} \times \text{Coverage} \times \text{Valuation} \times \text{Collection}$

(2011, p. 31)

Netzer (1998) earlier pointed out two aspects of efficiency that seem to correspond with Walters' outlining of policy and administrative variables. Netzer identifies a) revenue potential and b) the costs of taxation.

Several authors relate efficiency with various other concerns. Mills (1998) looks at efficiency in terms of effects on urban land uses and land values. On the other hand, Fainstein (2012) brings in as a measure of efficiency the quality of life for the broad public rather than Pareto optimality as the objective of development.

McGee (1999) expresses a concern regarding earmarking and efficiency. He says that in theory, earmarking taxes is efficient because funds are set aside for a specific purpose or program rather than disappear into a general fund. Depending on voters' perception of the program, they can abolish both the program and the tax. McGee predates Carling's caution against bigger government (Carling, 2007) when he says that what is more likely to happen is that, with earmarked funding programs in place, general fund revenues that used to be spent

for the programs will just be shifted to pay for some other programs that “taxpayers may or may not want” (McGee, 1999).

The analysis on efficiency in succeeding chapters of this study will take off from the components of Walters’ revenue identity, which shares many features with the conceptions of Netzer and De Cesare.

2.1.2.3 Effectiveness

As mentioned in previous sections, the literature on equity and efficiency brings up the idea of fairness a lot. “Does it feel fair” is a recurring question important for the success of collection of contributions. And the idea of fairness and justice is often connected to the outcomes or effects of the contributions, on whether they resulted in positive or negative impact on the group of taxpayers themselves or other groups (for example Fainstein, 2012).

For the purposes of this research, the aspect of outcomes mentioned with both equity and efficiency is discussed separately under the concept of effectiveness. For the operational definition of effectiveness, a conceptual framework on public spending and performance from a European Commission Economic Paper can serve as a guide. In the framework in the Economic Paper by Mandl, Dierx and Ilzkovitz (2008), effectiveness is “the success of the resources used in achieving the objectives set,” which objectives are often linked to welfare or development aims (2008, p. 3).

Thus, as contributions earmarked for housing the poor, the idle lands tax, socialized housing tax, and balanced housing shall be analyzed for delivery of housing to the intended market, and with the intended quality, envisioned by the relevant legislation.

Literature also discusses unintended outcomes, many of them negative. For example, Fainstein (2012) mentions possible adverse effects of taxation on equity such as withdrawal of land from agricultural uses, environmental damage, and displacement of low-income households and small businesses from central or accessible locations.

In positive terms, possible outcomes are equity in the possession of space, thus enhancing the right to the city (Lefebvre, 1991 in Fainstein, 2012), and spatial (e.g. from downtown to other areas) and socio-economic (e.g. poorest neighbourhoods get more) redistribution of funds (Fagotto and Fung, 2006; Fainstein and Hirst, 1996; in Fainstein, 2012).

On the other hand, Smolka and Amborski (2000), from the evidence of Latin American cities, caution against value capture schemes that attempt redistribution by earmarking recovered land value gains from well-serviced areas to poorly-serviced areas. They mention bonus zoning, inclusionary housing, and linkage fees as mechanisms that may be used in this manner. They believe that in the urban context of Latin America, the process could magnify intra-urban and land price differences (Smolka and Amborski, 2000).

The focus of this research on the issue of effectiveness will be the intended direct results of the earmarked contributions rather than the unintended outcomes.

2.1.3 Summary

The review of literature renders the definitions of several concepts in land value capture that are central to this study:

Land value capture is the appropriation by the public sector, for the benefit of the community, the increases in land value resulting from collective action such as public infrastructure investments, public approval of land use changes, and population growth (Smolka and Amborski, 2000).

Land and property taxes and fees are instruments of land value capture that are distinguished from other taxes by having land and immovable improvements as their base (Walters, 2011).

Taxes on vacant or idle land have undeveloped land as the tax base, and a tax rate that is usually higher than the rate given to land with improvements (Morales Schechinger, 2007).

Betterment tax is a one-time fee, and its base is the difference in the value of property from the time before and after a public infrastructure investment was made or land use change was granted (Walters, 2012).

Tax increment financing allows states to fund specific infrastructure, services or debts by borrowing against future increases in property taxes that are expected to result from increased land values in districts where developments are planned (Walters, 2012).

Temporary property tax rate increase is an additional charge that can be collected to finance “large-scale urban infrastructure that benefits all residents directly or indirectly in proportion to their property values” (Smolka 2013, p. 23).

Inclusionary housing uses the planning system to provide for affordable housing and foster social inclusion by capturing market resources. (Calavita and Mallach, 2010a).

Fees-in-lieu are a variation of inclusionary housing where developers make a contribution to a trust fund or donate land off-site (Calavita and Mallach, 2010a).

Earmarking is a legislative action that keeps separate from general revenue all revenue from a particular tax, such revenue to be used only for a specific government program, and fully funds it (Carling, 2007).

In addition to the brief explanations relevant to land value capture given above, following below are operational definitions of three criteria from public finance that will be used as the scope for analysis in this study:

Equity shall be taken to mean “assessment equity”, which is the measure of how well the property tax system is administered in terms of assessed values (Plimmer, McCluskey and Conellan, 2000). Assessment equity is examined in terms of horizontal equity and vertical equity, with the latter giving rise to the concepts of regressivity and progressivity.

Efficiency will be studied in line with the five variables of the tax revenue identity, namely: a) the value of the base as legally defined, b) the rate as set by law and policy, c) coverage, which is the proportion of all land that should legally appear on the tax rolls that actually is

included in the fiscal cadastre, d) valuation, referring to the proportion of taxable value that is identified by the valuation process, and e) collection, referring to the proportion of the tax levied that is actually collected (Walters, 2011).

Effectiveness shall refer to the extent that intended objectives have been achieved with the resources that have been provided. Such objectives are often linked to welfare or development aims (Mandl, Dierx and Ilzkovitz, 2008).

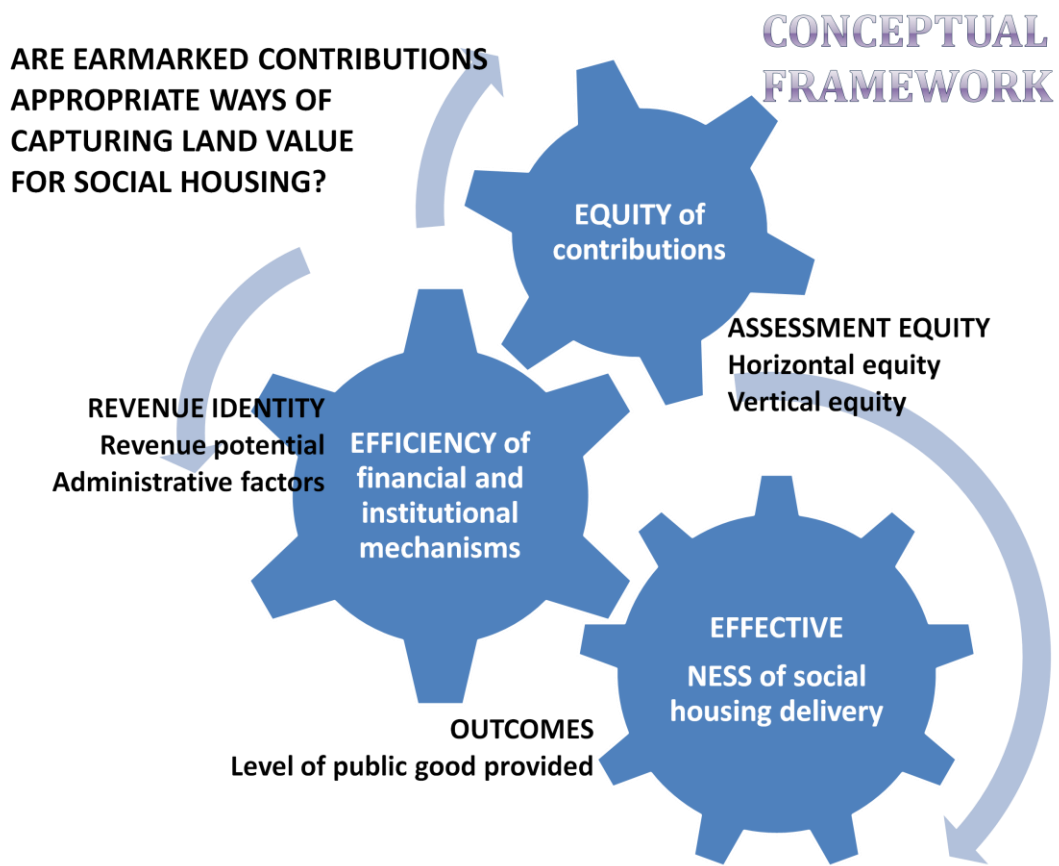
2.2 Conceptual Framework

Going back to the main research question (Are earmarked contributions appropriate ways of capturing land value for housing?), the notion of appropriateness in this study is taken to encompass the linked concepts of equity, efficiency and effectiveness. The framework used in this research examines these concepts as applied in the context of the implementation of the idle lands tax, the socialized housing tax, and the balanced housing policy for the provision of housing for the poor in Quezon City.

Literature does not indicate directly causal relationships among any of the three, but rather overlapping aspects that affect each other in practice and in the perception of housing stakeholders. This research thus seeks to shed light on the three value capture mechanisms as they exhibit the combined characteristics of equity, efficiency, and effectiveness in their implementation.

For simplicity, both the equity and efficiency issues will be studied principally on the obligation side, and the research and discussion on effectiveness will take up the intended achievement of social housing delivery.

Figure 3. Conceptual Framework



Chapter 3: Research Design and Methods

3.1 Revised Research Questions

Based on the theories found in literature and the definitions adopted for the concepts in the theoretical framework, the research questions were revised as follows:

Main question: Are earmarked contributions appropriate ways of capturing land value for social housing?

1. What is the basis for characterizing the idle lands tax, socialized housing tax, and balanced housing policy in Quezon City as land value capture instruments?
2. Are the idle lands tax, socialized housing tax, and balanced housing policy equitable in the manner of obtaining contributions derived from land value?
 - a. Is there horizontal equity? (Do properties with similar values have similar assessed values?)
 - b. Is there vertical equity? (Do properties with twice the assessed value of another property have twice its assessed value?)
3. Are they efficient in capturing land value?
 - a. What is the revenue potential for the three instruments? (What are the tax bases and rates as defined by law and policy?)
 - b. How much of this potential is actually being captured?
 - c. To what extent do administrative factors affect the revenues? (What proportion of the legal coverage is actually included in the cadastre, identified in the valuation process, and collected?)
4. Are they effective in fulfilling the objective of providing for social housing?
 - a. What is the amount and quality of social housing that needs to be provided in Quezon City?
 - b. What is the amount and quality of social housing that has been provided from the resources mobilized by the three types of contributions?

3.2 Operationalization: Variables, Indicators

The concept of equity is operationalized as assessment equity, which is measured along two variables: 1) horizontal equity and 2) vertical equity. The quantitative indicators for the two variables are: the coefficient of dispersion (COD) for horizontal equity, and the price-related differential (PRD) for vertical equity.

The qualitative indicators for assessment equity are the factors and methodology used in assessment, including the factors and methods for granting exemptions or preferential treatment to certain types of properties or taxpayers.

Efficiency is operationalized by the formula of the tax revenue identity, which has two variables: 1) policy and 2) administrative factors. The policy variable has two quantitative

indicators: the tax base and the tax rate, while the administrative variable has three: coverage, valuation, and collection.

Qualitative indicators for the tax revenue identity are the level, types, functions, and inter-relations of the organizations responsible for the policy and administrative factors.

Effectiveness is operationalized by the outcomes, which is represented by the variable level of social housing provided. This variable has several indicators, including the quantitative and qualitative: number, amenities, location, amount and manner of allocating budget, and the services provided by the city in housing delivery.

The operationalization of the research questions into the variables, indicators, sub-questions, and the data collection and analysis methods is shown in the table below.

Table 3. Overview of Research Questions

Main question: Are earmarked contributions appropriate ways of capturing land value for social housing?					
Research questions	Variables	Indicators	Questions	Data sources	Data collection
a. What is the basis for characterizing the idle lands tax, socialized housing tax, and balanced housing policy in Quezon City as land value capture instruments?	Base for the contribution	Qualitative: - Types of properties and property owners that by law are covered by idle lands tax / socialized housing tax / balanced housing policy - Combination of land and improvements included in the base for the contribution	- What types of properties and property owners are covered by the idle lands tax? - How are land and/or improvements treated in the computation of the idle lands tax?	Local Government Code (LGC); Quezon City (QC) Revenue Code; Urban Development and Housing Act (UDHA)	Document analysis
			- What types of properties and property owners are covered by the socialized housing tax? - How are land and/or improvements treated in the computation of the socialized housing tax?	UDHA; QC Socialized Housing Tax Ordinance	Document analysis
			- What types of properties and property owners are covered by the balanced housing policy? - How are land and/or improvements treated in the computation of the obligation for social housing?	UDHA, including Implementing Rules and Regulations (IRR)	Document analysis
a. Are the idle lands tax, socialized housing tax, and balanced housing policy equitable in the manner of obtaining contributions derived from land value?	Horizontal equity	Qualitative: - Factors used for assessment	- What are the factors used in assigning land values in the cadastre? - Who assesses the factors and assigns land values?	City Assessor	Interview, secondary data
			- How is the contribution for balanced housing calculated? - Who calculates the required contribution for balanced housing?	Subdivision and Administration Unit (SAU); National Housing Authority (NHA); Housing and Land Use Regulatory Board (HLURB)	Interview, secondary data
	Quantitative: - Coefficient of dispersion: assessed values, market values	- What is the range and distribution of assessment values for residential land in the city? - What are the actual sales prices for residential land in the different parts of the city?	Quezon City Information Technology Development Office (QC-ITDO) City Assessor; Social Housing Finance Corporation	Interview, secondary data Interview, secondary data	
Vertical equity	Qualitative: - Exemptions or other preferential treatment given to certain types of properties or property owners	- What types of properties or property owners are entitled to exemption or other preferential treatment from the idle lands tax? - What level and agency of government establishes exemptions or preferential treatment for the idle lands tax? - What types of properties or property owners are entitled to exemption or other preferential treatment from the socialized housing tax? - What level and agency of government establishes exemptions or preferential treatment for the socialized housing tax? - What types of projects or developers are entitled to exemption or other preferential treatment from the	- What types of properties or property owners are entitled to exemption or other preferential treatment from the idle lands tax?	LGC; QC Revenue Code	Document analysis
			- What types of properties or property owners are entitled to exemption or other preferential treatment from the socialized housing tax?	UDHA; QC Socialized Housing Tax Ordinance	Document analysis
			- What types of projects or developers are entitled to exemption or other preferential treatment from the	UDHA, including IRR, SAU	Document analysis

			<ul style="list-style-type: none"> balanced housing policy? - What level and agency of government establishes exemptions or preferential treatment for the balanced housing policy? 		
		<p>Quantitative:</p> <ul style="list-style-type: none"> - Price related differential: assessed values, sales prices 	<ul style="list-style-type: none"> - What is the range and distribution of assessment values for residential land in the city? - What are the actual sales prices for residential land in the different parts of the city? 	<p>City Assessor</p> <p>Register of Deeds; Social Housing Finance Corporation</p>	<p>Interview, secondary data</p> <p>Interview, secondary data</p>
b. Are they efficient in capturing land value?	Revenue potential	<p>Qualitative:</p> <ul style="list-style-type: none"> - Types of properties and property owners that by law are covered by the idle lands tax / socialized housing tax / balanced housing policy - Exemptions or other preferential treatment given to certain types of properties or property owners - Level and agency of government that sets tax rates - Level and agency of government that gives exemptions or preferential treatment 	<ul style="list-style-type: none"> - What types of properties and property owners are covered by the idle lands tax? - What types of properties or property owners are entitled to exemption or other preferential treatment from the idle lands tax? - What level and agency of government establishes the rate for the idle lands tax? - What level and agency of government establishes exemptions or preferential treatment for the idle lands tax? - What types of properties and property owners are covered by the socialized housing tax? - What types of properties or property owners are entitled to exemption or other preferential treatment from the socialized housing tax? - What level and agency of government establishes the rate for the required contribution for the socialized housing tax? - What level and agency of government establishes exemptions or preferential treatment for the socialized housing tax? - What types of properties and property owners are covered by the balanced housing policy? - What types of properties or property owners are entitled to exemption or other preferential treatment from the balanced housing policy? - What level and agency of government establishes the rate for the required contribution for balanced housing? - What level and agency of government establishes exemptions or preferential treatment for the balanced housing policy? 	<p>LGC; QC Revenue Code; UDHA</p> <p>UDHA; QC Socialized Housing Tax Ordinance</p> <p>UDHA, including IRR; Subdivision Administration Unit (SAU)</p>	<p>Document analysis</p> <p>Document analysis</p> <p>Document analysis; Interview</p>
		<p>Quantitative:</p> <ul style="list-style-type: none"> - Tax base: Land area covered by the idle lands tax / socialized housing tax / balanced housing policy, land values, assessment rates, assessed values 	<ul style="list-style-type: none"> - What is the total residential land area covered by the idle lands tax? - What are the land values for the areas covered by the idle lands tax? - What is the assessment rate for residential land? 	<p>City Assessor; QC Revenue Code; QC-Information Technology Development Office (QC-ITDO)</p>	<p>Interview and secondary data; Document analysis</p>

		<ul style="list-style-type: none"> - Tax rate: Percentage established by law to be applied to assessed values for computing the tax bill 	<ul style="list-style-type: none"> - What is the rate for computing the idle lands tax? - What is the total residential land area covered by the socialized housing tax? - What are the land values for the areas covered by the socialized housing tax? - What is the rate for computing the socialized housing tax? - What is the total land area covered by new applications for development permits and subject to the balanced housing policy? - What are the land values for these areas? - What is the rate for computing the contribution under the balanced housing policy? 	<p>City Assessor; QC Revenue Code; QC-Information Technology Development Office (QC-ITDO)</p> <p>SAU; NHA; HLURB</p>	<p>Interview and secondary data; Document analysis</p> <p>Interview and secondary data</p>
	Actual revenues	<p>Quantitative:</p> <ul style="list-style-type: none"> - Amount collected from idle lands tax / socialized housing tax / in-lieu fees for balanced housing - Number of affordable housing units produced due to balanced housing policy 	<ul style="list-style-type: none"> - How much has been collected every year from the idle lands tax since its implementation? - How much has been collected every year from the socialized housing tax since its implementation? - How many socialized housing units have been committed under the balanced housing policy? - How much cash has been contributed under alternative modes of compliance of the balanced housing policy? 	<p>City Treasurer</p> <p>SAU; National Housing Authority (NHA)</p>	<p>Interview and secondary data</p> <p>Interview and secondary data</p>
	Administrative factors	<p>Quantitative:</p> <ul style="list-style-type: none"> - Coverage: Percentage of all land that should be covered to land actually in cadastre - Valuation: Percentage of taxable value that is identified in the valuation process - Collection: Percentage of collected to billed amount 	<ul style="list-style-type: none"> - How much of the land area that should be covered by the idle lands tax is actually included in the cadastre? - How much is the variance in the Valuation that results from assessment inequity? - How much of the total billed amount for the idle lands tax is actually paid? - How much of the land area that should be covered by the socialized housing tax is actually included in the cadastre? - How much is the variance in the Valuation that results from assessment inequity? - How much of the total billed amount for the socialized housing tax is actually paid? - How much of the land area that should be covered by new applications for development permits are actually reported? - How much of the total required contribution in socialized housing units under the balanced housing policy is actually built? - How much of the total required contribution in cash 	<p>City Assessor; City Treasurer</p> <p>City Assessor; City Treasurer</p> <p>SAU; NHA</p>	<p>Interview and secondary data</p> <p>Interview and secondary data</p> <p>Interview and secondary data</p>

			under the balanced housing policy is actually paid?		
		Qualitative: - Factors affecting coverage / valuation / collection (e.g. information sharing among agencies involved, administrative responsibilities and capacities of agencies, technical responsibilities and capacities of agencies, outdated land values, convenience of billing and collection processes, appeals processes, sanctions for non-compliance)	<ul style="list-style-type: none"> - What government offices are involved in the implementation of the idle lands tax? - What are the processes? - What are the respective responsibilities of the government offices in these processes? - What are their capacities for implementation? - What are the difficulties in implementation? <ul style="list-style-type: none"> - What government offices are involved in the implementation of the socialized housing tax? - What are the processes? - What are the respective responsibilities of the government offices in these processes? - What are their capacities for implementation? - What are the difficulties in implementation? <ul style="list-style-type: none"> - What government offices are involved in the implementation of the balanced housing policy? - What are the processes? - What are the respective responsibilities of the government offices in these processes? - What are their capacities for implementation? - What are the difficulties in implementation? 	City Assessor, City Treasurer City Assessor, City Treasurer Subdivision Administration Unit, NHA	Interview and secondary data Interview and secondary data Interview and secondary data
c. Are they effective in fulfilling the objective of providing for social housing?	Level of social housing needed	Quantitative: - Number of socialized housing units needed in Quezon City	<ul style="list-style-type: none"> - How many units are required to adequately house the lower-income households in the city? - How many units does the city plan to provide every year for the next 5 years? 	QC Shelter Plan; Housing, Community Development and Resettlement Department (HCDRD); City Planning and Development Office (CPDO)	Document analysis Interview and secondary data
		Qualitative: - Cost to beneficiaries - Location - Amenities	<ul style="list-style-type: none"> - What do national and local policies prescribe regarding the cost of socialized housing units to beneficiaries? - What do national and local policies say about where to locate the socialized housing units that the city provides? - What do national and local policies say about amenities that should be provided with the socialized housing units of the city? - What do national and local policies prescribe for the process and criteria of screening socialized housing beneficiaries? 	Memorandum Circulars of the Housing and Urban Development Coordinating Council (HUDCC); UDHA; QC Shelter Plan	Document analysis
	Level of social housing provided	Quantitative: - Number of socialized housing units provided - Number of socialized housing units provided before the implementation of the idle lands tax / socialized housing tax	<ul style="list-style-type: none"> - How many socialized housing units have been committed / built / turned over using the revenues from the idle lands tax? - How many socialized housing units have been committed / built / turned over using revenues from the socialized housing tax? - How many socialized housing units have been 	HCDRD; City Budget Office; SAU	Interview and secondary data

		<ul style="list-style-type: none"> - Variation (increase or decrease) in amount allocated in annual budget for socialized housing 	<ul style="list-style-type: none"> committed / built / turned over under the balanced housing policy? - How many socialized housing units were built and turned over by the city in the 5 years before the implementation of the idle lands tax? - How much has been allotted every year by the city for housing since the implementation of the idle lands and socialized housing taxes? - How much was allotted by the city for housing in the 5 years before the implementation of the idle lands and socialized housing taxes? 	HCDRD; City Budget Office; SAU	Interview and secondary data
		<p>Qualitative:</p> <ul style="list-style-type: none"> - Cost to beneficiaries - Location - Amenities - Services provided in housing delivery - Clarity and transparency in utilizing the contributions for provision of socialized housing 	<ul style="list-style-type: none"> - What is the cost to beneficiaries of the socialized housing units built from the idle lands and socialized housing taxes? - Where are the socialized housing units built from the idle lands and socialized housing taxes located? - What amenities were provided? - What is the profile of the beneficiaries of the idle lands and socialized housing taxes? - How were they screened? - What is the cost to beneficiaries of the socialized housing units built under the balanced housing policy? - Where are the socialized housing units built under the balanced housing policy located? - What amenities were provided? - What is the profile of the beneficiaries of the balanced housing policy? - How were they screened? - Do prospective beneficiaries know how and where the contributions from the idle lands tax / socialized housing tax / balanced housing policy should be spent? 	<p>HCDRD; Urban poor representative in the Local Housing Board (LHB)</p> <p>HCDRD; NHA; Urban poor representative in the LHB</p> <p>Urban poor representative in the LHB</p>	<p>Interview and secondary data</p> <p>Interview and secondary data</p> <p>Interview and secondary data</p>

3.3 Data Sources and Collection Methods

To address the research questions, data was collected from official documents, reports, and semi-structured interviews with key informants. The offices that provided information, in the form of interviews and/or documents were the following:

Table 4. Sources of Data

Local/national agency	Type of information	Supporting document
City Assessor's Office (Quezon City)	Market values (Equity)	Registration data sheets
	Schedule of fair market values (Equity)	City Ordinance No. 357, Series of 1995
	Base, exemptions and rates for idle lands and socialized housing taxes (Efficiency)	Quezon City Revenue Code; Socialized Housing Tax Ordinance
	Assessment methodology (Equity and Efficiency)	Bureau of Local Government Finance Circulars
City Budget Department (Quezon City)	Budget allocations for housing (Effectiveness)	State of the City Address
City Planning and Development Office (Quezon City)	Housing need (Effectiveness)	Quezon City Shelter Plan
City Treasurer's Office (Quezon City)	Real estate tax collections (Efficiency)	Collection reports
	Tax payment procedures (Efficiency)	Forms and posters
Housing and Land Use Regulatory Board	Compliance guidelines for balanced housing (Equity and Efficiency)	Board Resolution; Memorandum Circulars
Housing, Community Development and Resettlement Department (Quezon City)	Housing services and projects provided by the city (Effectiveness)	Accomplishment reports
Information Technology Development Office (Quezon City)	Taxable real estate properties (Efficiency)	Assessment reports
Local Housing Board (Quezon City) – Urban poor representative	Knowledge about housing services, projects and budget provided by the city for housing (Effectiveness)	
National Housing Authority	Guidelines for socialized housing units participation trust fund (Efficiency and Effectiveness)	Memorandum Circulars; Accomplishment reports; Sample computations
Social Housing Finance Corporation	Market values (Equity)	List of approved housing project loans
Subdivision Administration Unit (Quezon City)	Land area of subdivisions given development permits (Efficiency)	Accomplishment reports

As discussed in previous sections, equity is taken up in the concepts of horizontal and vertical equity, using the indicators of coefficient of dispersion (COD) and price-related differential (PRD) respectively. For both COD and PRD, the data required to derive them are assessed values and market values.

The sources of market values for this study are sale prices and appraisals. Sale prices were taken from sales data regularly collected by the City Assessor's Office to keep track of prevailing property prices. Appraised values were taken from the published list of socialized housing projects financed by the Social Housing Finance Corporation.

Only transactions on vacant land were used for this study in order to remove the need to extract land values from property prices as well as to eliminate the attributes of improvements from the appraisals and market considerations. For the latter reason, a group of appraisals on property (land and improvements) from a private bank was not included in this study.

The source for assessed values is City Ordinance No. 357, Series of 1995, which contains the schedule of fair market values used for real property assessment.

For the efficiency aspect, the variables of Base, Rate, Coverage, Valuation, and Collection all required quantitative data from various government sources.

The Base is taxable value measured in land area and price per unit area, based on the policy set by law on what properties and taxpayers are to be covered by the tax. Quantitative data for the base came from information from the City Assessor's Office as well as the Quezon City Information Technology Development Office (QC-ITDO). The Rate is a percentage also set by law.

Coverage is the land area of properties that are actually in the cadastre as a percentage of the total land area that should be in the cadastre. Information on Coverage also came from the City Assessor's Office and QC-ITDO.

Valuation is the percentage of the taxable value that is identified by the valuation process. Here the quantified equity results of the price related differential was plugged into the Valuation variable of the efficiency formula.

For the variable of Collection, Collection Reports from the City Treasurer's Office provided the data for actual collections, while the QC-ITDO provided information on taxes due.

Effectiveness was studied in terms of the intentions of the national and local laws creating idle lands tax, socialized housing tax and the balanced housing policy. Thus, the indicators are a mix of quantitative and qualitative data: numbers of housing units, the housing need, location and amenities provided for socialized housing, and the resulting increase (or decrease) in the city government's resources for housing.

Information for the effectiveness indicators came from the Housing, Community Development and Resettlement Department, the City Budget Department, the urban poor representative to the Local Housing Board, the City Planning and Development Office, the Subdivision Administration Unit, and the National Housing Authority.

Qualitative data in the form of key informants' perception on how the numbers came to be were gathered through semi-structured interviews. The selection of respondents for the interviews was purposive, based on their expertise or particular area of knowledge.

3.4 Validity and Reliability

The construct validity of the data collection instruments rely on the correctness of the scope of the conceptual framework extracted from the literature review. The operational definitions of the key concepts identify and limit the variables and indicators.

The research strives for concurrent validity through triangulation. Pieces of information given by key informants are compared with those provided by other key informants. For example, information on the Coverage of taxes was obtained from both the City Assessor's Office and the Information Technology Development Office. Information on the state of housing services was taken from both the Housing, Community Development and Resettlement Department (HCDRD) and the urban poor representative in the Local Housing Board. Activities claimed by the HCDRD were also seen to be reflected in the Budget Department's report.

In addition, the workplan was organized to allow for a second round of interviews to obtain confirmation from respondents when necessary. The City Assessor's Office was a particularly vital source of information where qualitative information on assessment methodology needed clarification and expansion.

Finally, the mix of quantitative and qualitative data collected, as well as the mix of methods (secondary data support to key informant interviews), are intended to contribute to the reliability of the data collected.

3.5 Data Analysis Methods

The equity indicators of COD and PRD using the variables of market values (MV) and assessment values (AV) were calculated as ratio statistics on IBM SPSS Statistics software. This study compares the COD and PRD with the assessment uniformity standards approved by the International Association of Assessing Officers (IAAO) in 2013.

They can also be computed on Excel software using the following formulas (IAAO, 2013):

Figure 4. Coefficient of Dispersion (COD)

$$\text{COD} = \frac{\sum \frac{AV}{MV} - \text{Median} \frac{AV}{MV}}{\text{Total number of } \frac{AV}{MV} \times \text{Median} \frac{AV}{MV}} \times 100$$

Figure 5. Price-Related Differential (PRD)

$$PRD = \frac{\text{Mean } \frac{AV}{MV}}{\frac{\text{Mean AV}}{\text{Mean MV}}}$$

The resulting COD and PRD values are compared with the values recommended by the International Association of Assessing Officers (2013) for assessment uniformity. For this study, which uses land values of vacant land, the COD standard of 5.0 to 20.0 for unimproved properties is applied.

Table 5. Standard for COD and PRD

COD	Single-family residential properties	Between 5.0 and 15.0
	Income-producing properties	Between 5.0 and 20.0
	Unimproved properties	Between 5.0 and 20.0
	Rural residential and seasonal properties, manufactured housing, and multifamily dwellings	Between 5.0 and 20.0
PRD		Between 0.98 and 1.03

For the efficiency indicators, the formula for tax revenue identity (Walters, 2011) was adapted to produce the proportion of actual revenues to potential revenues²¹. Proportions were derived using the following:

Figure 6. Rate

$$\text{Rate} = \frac{\text{Quezon City tax rate}}{\text{National cap on tax rate}}$$

Figure 7. Coverage

$$\text{Coverage} = \frac{\text{Properties that are in the tax map}}{\text{All properties that should be in the tax map}}$$

Figure 8. Valuation

$$\text{Valuation} = 1 - \frac{(\text{Derived PRD} - 1.03)}{1.03^{22}}$$

Figure 9. Collection

$$\text{Collection} = \frac{\text{Annual collection based on Collection Report}}{\text{Total tax due based on Assessment Report}}$$

²¹ In Walters' discussion (2011, p. 31), the formula results in an effective rate.

²² Upper limit for PRD standard

With Base equal to 100%, the ideal result for Base X Rate X Coverage X Valuation X Collection is 100%.

Chapter 4: Research Findings

4.1 The Institutional Context of the Case Study

4.1.1 Policies governing the implementation of the idle lands tax, socialized housing tax, and balanced housing in Quezon City

As discussed in Chapter 1, the three instruments of land value capture in this study are enabled by national legislation, for local government units in the Philippines to implement according to their powers to “generate and apply resources” (*LGC 1991, Section 132*). The idle lands tax, the socialized housing tax, and the balanced housing policy are all provided in the Urban Development and Housing Act (UDHA) of 1992 as means of mobilizing resources for socialized housing. Before that, the Local Government Code (LGC) of 1991 had authorized local governments to levy the idle lands tax as a means for raising general funds.

The idle lands tax became part of the city’s taxing powers with the adoption of the Quezon City Revenue Code of 1993. By decision of the city executives, however, the idle lands tax only started to be collected in the year 2011. Only seven other cities in the Philippines have empowered themselves to collect the idle lands tax.

Like the Local Government Code, the Quezon City Revenue Code does not earmark the idle lands tax for housing. In official pronouncements and practice, though, the revenues from the idle lands tax have been committed to the socialized housing projects of the city. The purpose of the tax is expected to be clarified by an ordinance which, as of July 2013, was due for final reading at the City Council. The draft ordinance creates the city’s “Socialized Housing Special Account,” which puts the idle lands tax revenues along with other housing-related collections in a fund reserved exclusively for the development and improvement of socialized housing projects of the City (*PO2013-35 Draft Ordinance 2013, Sections 1 and 3*).

The socialized housing tax, on the other hand, is clearly an earmarked tax. The Socialized Housing Tax Ordinance enacted in 2011 states that the tax is intended to provide the city with “sufficient funds to initiate, implement and undertake socialized housing projects and other related preliminary activities” (*Socialized Housing Tax Ordinance 2011*).

The tax started to be collected in 2012. As of this writing, no other city in the Philippines has adopted the socialized housing tax.

In contrast to the taxes which are backed up by city ordinance, the balanced housing provision in UDHA has not been localized in Quezon City by ordinance or executive issuance. By default, the implementation of the provision in the city is governed by the Implementing Rules and Regulations (IRR) formulated by a national agency, the Housing and Land Use Regulatory Board (HLURB).

The latest version of the IRR was issued in 2012 through Board Resolution 890²³. Subsequent Memorandum Circulars in 2013²⁴, also from HLURB, give further details on how the

²³ Revised Implementing Rules and Regulations to Govern Section 18 of Republic Act No. 7279 Otherwise Known as the Urban Development and Housing Act of 1992

balanced housing provision may be complied. Board Resolution 890 and the 2013 Circulars repeal previous balanced housing IRRs that are inconsistent with the new guidelines.

4.1.2 Organizational mechanisms for implementation

After approval by the City Council of the local legislation, the City Assessor's Office and the City Treasurer's Office take on the biggest tasks in the tax effort.

The City Assessor's Office is responsible for:

- Appraising real properties through field inspections and verification of full market values through the use of accepted methods
- Maintaining subsidiary records for purposes of periodical adjustment of schedule of values and general re-assessment
- Accounting of real properties
- Establishing a systematic method of real property identification, assessment and accounting
- Maintaining a system of tax mapping showing geographically all properties subject to assessment

(Quezon City 2013, City Assessor's Department)

On the other hand, the functions of the City Treasurer's Office with regard to taxes are as follows:

- Issuing revenue receipts and disbursements of the city government
- Billing and collecting real property and business taxpayers
- Sending demand letters and notices to delinquent realty and business taxpayers
- Conducting examinations of financial records to determine the correctness of taxes paid by business taxpayers

(Quezon City 2013, City Treasurer's Office)

The Offices of the City Assessor and the City Treasurer receive support from the Information and Technology Development Office (QC-ITDO), which is responsible for "integrating . . . the city government's (information technology) structures and systems", and thus for "minimizing the processing time of . . . information-based public transactions." QC-ITDO is in charge of establishing an "electronic data center that consolidates and archives all information pertinent to the city government's plans, programs and projects" (Quezon City 2013, QC Information Technology Development Office).

The City Budget Office and the City Accounting Department provide related work in the preparation of financial programs and reports for the city, which include the revenues and utilization of the idle lands and socialized housing taxes.

In the utilization of revenues from the idle lands and socialized housing taxes, the city's Housing, Community Development and Resettlement Department is mandated to take the lead through the design and implementation of programs for the city's underprivileged residents and informal settlers (Quezon City 2013, Housing and Community Development and Resettlement Department).

²⁴ HLURB Memorandum Circular Nos. 01, 02, 02A, 03, 04, 05, 06, 07, 07A, 10, and 13, all Series of 2013

However, if and when the Socialized Housing Special Account is created by ordinance, the Local Housing Board will be the approving body for disbursements from the account into which the idle lands and socialized housing taxes shall have been paid. The Local Housing Board is a multi-stakeholder mechanism mandated to “formulate, develop and ensure the implementation of policies in the provision of housing and resettlement areas,” and to ensure “observance of the rights of the underprivileged and homeless” in cases of eviction and demolition (*Local Housing Board Ordinance 2002*). It is composed of government and non-government representatives, with the Mayor as the Chairperson.

For balanced housing, the agency principally responsible is a national agency, the Housing and Land Use Regulatory Board (HLURB). It is the agency authorized to issue and interpret guidelines for balanced housing compliance. It is also the agency responsible for monitoring and enforcing compliance through approval or withholding a housing development project’s Certificate of Registration and License to Sell.

Several other national government agencies may become involved in balanced housing through the various manners of compliance allowed to developers. These include the National Housing Authority (if a developer opts to contribute to slum upgrading), the Social Housing Finance Corporation (for contributions to projects under the Community Mortgage Program), and any housing agency that issues bonds or securities, or is interested in a joint-venture arrangement.

Local government units may also be involved if a developer opts to contribute or form a joint-venture project with them.

4.1.3 Taxable land values in Quezon City

The Quezon City Revenue Code mandates that all real property shall be appraised at current and fair market value using the government schedule of fair market values as basis. Assessment levels are then applied to the current and fair market value to determine the taxable value of a property. Assessment levels for land in Quezon City are set according to the following classifications:

Table 6. Assessment Levels

Residential	18%
Commercial	45%
Industrial	45%
Agricultural	18%

The City Ordinance approved in 1995 remains the reference for the schedule of fair market values used for real property assessment. The ordinance divides the city into assessment districts and identifies the classifications (residential, commercial, industrial, institutional) and sub-classifications of given areas in each assessment district.

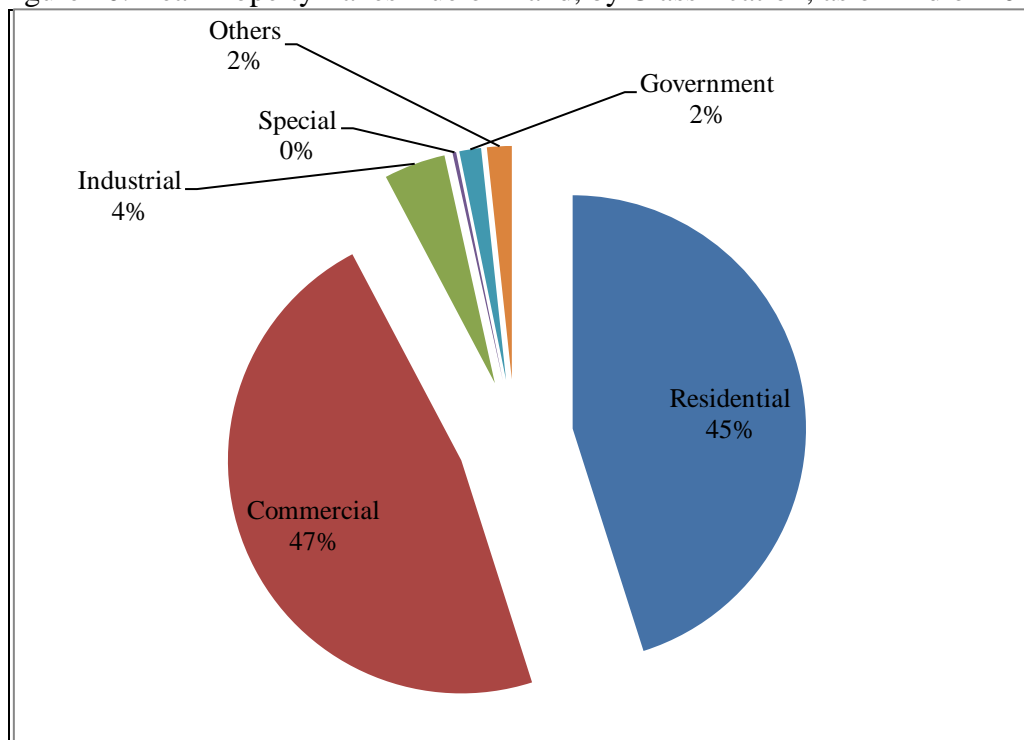
The schedule of fair market values for residential land is specified in the Ordinance as follows:

Table 7. Fair Market Values (Per Square Meter),
by Sub-classification

Ra-1	PHP 3,000 (US\$ 73 ²⁵)
Ra-2	PHP 2,500 (US\$ 61)
Ra-3	PHP 2,000 (US\$ 48)
Ra-4	PHP 1,500 (US\$ 36)
Ra-5	PHP 1,200 (US\$ 29)
Ra-6	PHP 500 (US\$ 12)

The chart below shows the relative proportion of taxes due for the land component of each of the classifications. Commercial land is potentially the biggest real property tax earner, with residential land not far behind.

Figure 10. Real Property Taxes Due on Land, by Classification, as of End of 2012

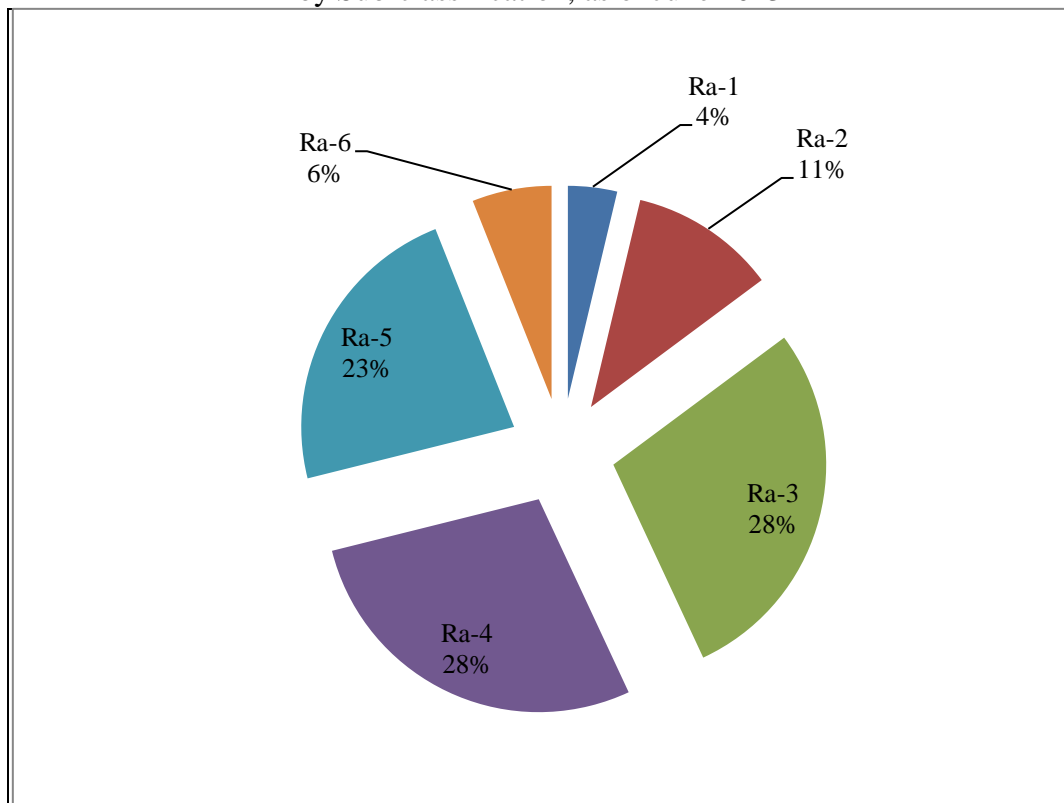


Source: *Quezon City Taxable Real Estate Properties as of December 31, 2012*

The following chart breaks down the taxes due for residential land by sub-classification. Ra-3 and Ra-4 are potentially the biggest contributors among residential land taxpayers, while the highest-value (Ra-1) and lowest-value (Ra-6) taxpayers make up the smallest portion of potential residential land revenues.

²⁵ All conversion in this table is at US\$ 1 = PHP 41.24, as per 2013 average, Peso – US Dollar Watch, National Statistical Coordination Board.

Figure 11. Real Property Taxes Due on Residential Land, by Sub-classification, as of June 2013



Source: Real Property Records (Land) Grouped by Taxabilities and Actual Use (Data as of 06/30/2013)

4.2 The Idle Lands Tax, the Socialized Housing Tax, and Balanced Housing as Instruments for Land Value Capture

Both the idle lands and the socialized housing taxes are based on a fixed proportion of the value of land. In both of these taxes, only land is considered in the tax base. Improvements are not included in the assessment of these taxes.

On the other hand, the contribution prescribed by the balanced housing policy, whichever mode of calculation is used (by land area or by project cost), is related to land but is not directly proportional to the land value. This is discussed in more detail in 4.2.3 and 4.3.4.

4.2.1 The idle lands tax

The Quezon City Revenue Code imposes a yearly tax on idle lands, defined as those lands that meet either of the following descriptions:

- More than 1,000 square meters in area, 50% of which is unutilized or unimproved
- Regardless of land area, residential lots in subdivisions located along national roads

Exempted from payment of the idle lands tax are landowners who are unable to improve or utilize their land due to force majeure (e.g. fire, flood, typhoon, earthquake), civil

disturbance, pending litigation, or the presence of squatters, or due to the failure of the developer to make site improvements on the residential subdivision according to plan.

The tax rate is two-tier:

- Three percent (3%) of the assessed value for properties located along national roads
- One percent (1%) of the assessed value for idle lands in other areas

Although the Local Government Code empowers provinces and cities to impose an idle lands tax up to five percent (5%) of the assessed values, Quezon City has chosen to enact the abovementioned lower rates. These rates for idle lands are collected in addition to the basic real property tax.

According to the city's website, the idle lands tax "raise(s) revenues for the city's socialized housing projects while encouraging . . . landowners to make their lands productive" (Quezon City 2013, Socialized housing tax will remove urban blight).

4.2.2 The socialized housing tax

The socialized housing tax is levied on all lands in the city with assessed values of more than PHP 100,000 (US\$ 2,425)²⁶. In terms of the rate and its objectives, the city ordinance hews closely to the Urban Development and Housing Act, the national law that enables local governments to impose the socialized housing tax. The rate is one-half percent (0.5%) of the assessed value of the property, and the sole purpose of the tax is to provide the city government with funds for the initiation and implementation of socialized housing projects.

There is a difference in the threshold, though, with UDHA exempting lands with assessed value only below PHP 50,000 (US\$ 1,212)²⁷. The higher threshold of Quezon City allows more taxpayers to be exempted than would have been with the lower threshold of UDHA.

The ordinance however adds provisions that are not envisioned in the national law. One provision makes the socialized housing tax a special assessment that is imposed for a period of five (5) years only (calendar years 2012 to 2016).

Another provision transforms the socialized housing tax payments into tax credits for those who have dutifully paid the special assessment for five years. The tax credits may be enjoyed (deducted from the real property tax due) in equal amounts (20% of total socialized housing taxes paid) over the five years (2017 to 2021) following the five years of socialized housing tax payments.

The city government added these provisions because it expects that after the five-year period, the socialized housing program shall be able to finance itself from the long-term financing institutions and from the amortization payments of the beneficiaries (Quezon City 2013, Socialized housing tax will remove urban blight).

²⁶ At US\$ 1 = PHP 41.24, per Peso – US Dollar Watch, National Statistical Coordinating Board

²⁷ Ibid.

4.2.3 Balanced housing

As noted in 4.2, the contribution prescribed by the balanced housing policy, whichever mode of calculation is used (by land area or by project cost), is related to land but is not directly proportional to its value.

The rate of compliance required by the balanced housing policy (*UDHA 1992, Sec. 18*) from housing developers is the development of an area for socialized housing equivalent to at least 1) 20 percent of the total subdivision area, or 2) 20 percent of total subdivision project cost, at the option of the developer. The contribution should be made within the same city or municipality whenever feasible, but could also be made elsewhere in the country.

For the first option, the contribution is explicitly land-based, although the rate is computed by area and not by value.

For the second option, the cash contribution is based on the value of both land and improvements. There are several manners of compliance given by the guidelines but the Memorandum Circulars emphasize that the computation of 20% project cost should be the basic consideration for this alternative. The various ways of complying through 20% project cost are:

- Development of new settlement through 1) joint-venture with a developer of socialized housing, 2) contribution to a non-profit developer of socialized housing, or 3) provision of basic amenities and facilities in socialized housing projects
- Slum upgrading in cooperation with the National Housing Authority
- Joint-venture project with a local government or national housing agency through 1) cooperation with the Housing and Land Use Regulatory Board on a socialized housing project, 2) purchase of socialized housing bonds, 3) rehabilitation of non-performing socialized housing assets, or 4) provision of basic amenities and facilities in socialized housing projects
- Participation in the Community Mortgage Program (CMP) of the Social Housing Finance Corporation (SHFC) by 1) providing a parcel of land to a CMP project, 2) providing or developing road right-of-way or upgrading of amenities of a CMP project, or 3) purchasing asset-backed securities conveyed by SHFC

(HLURB Board Resolution 890 2012, Section 4)

All subdivision projects with housing units above the ceiling price for socialized housing are required to comply with this policy.

4.3 Indicators of Equity

4.3.1 Description of dataset

The sample data used for examining assessment equity comes from two sources: 1) records of registration of new ownership for issuance of tax declaration compiled by the Quezon City Assessor's Office, and 2) the online list of housing project loans appraised and approved by the Social Housing Finance Corporation (SHFC).

The registration records had a wider range of values than the records from the SHFC appraisals. This is due to the nature of SHFC as a government financing institution for socialized housing projects. The low-income borrowers of SHFC typically purchase land within a limited affordable price range. In addition, a number of SHFC's borrowers purchase land that they have already been occupying without formal tenure, putting those pieces of land in "blighted" status. Section 13 of UDHA requires that such blighted status be "factor(ed) into the valuation."

To eliminate the complication of abstracting residual land values from total values of land and improvements, the data was taken from records of vacant land only. In addition, only land classified as residential is included in this study in order to analyse a set of cases with just one assessment level, eliminating the variations in behaviour of land of different assessment levels (i.e. commercial, industrial, institutional).

This method enabled the collection during the research period of a total of 202 values for vacant residential land in the city, consisting of 180 cases of registration of new ownership from the years 2010 to 2013, and 22 cases of appraisal for housing projects in Quezon City from 2005 to 2011.

For purposes of the statistical analysis described in Chapter 3, the sale prices listed in the registrations of new ownership, as well as the appraised values for the housing project loans, are both used as proxy data for market values. These market values were brought up to 2013 prices using core inflation rates published by the National Statistical Coordinating Board (NSCB).

The 1995 Quezon City ordinance provided the schedule of fair market values, which for taxation purposes is the basis for assessed values. This schedule of fair market values was used as proxy data for assessed values in the statistical analysis.

Following is a summary of the cases processed for both the coefficient of dispersion (COD) and price-related differential (PRD).

Table 8. Summary of Cases Processed for COD and PRD

Group	Count	Market Values				Assessment Values			
		Lower Bound	Upper Bound	Mean	Median	Lower Bound	Upper Bound	Mean	Median
Registrations of new ownership	180	P 2,178 \$ 53 ²⁸	P 85,389 \$ 2,070	P 15,574 \$ 378	P 11,110 \$ 269	P 500 \$ 12	P 5,000 \$ 121	P 1,933 \$ 47	P 2,000 \$ 48
Appraisals for housing project loans	22	P 2,378 \$ 58	P 3,770 \$ 91	P 3,246 \$ 79	P 3,214 \$ 78	P 500 \$ 12	P 2,000 \$ 48	P 664 \$ 16	P 500 \$ 12
Total	202	P 2,178 \$ 53	P 85,389 \$ 2,070	P 14,231 \$ 345	P 10,424 \$ 253	P 500 \$ 12	P 5,000 \$ 121	P 1,795 \$ 44	P 1,500 \$ 36

4.3.2 Horizontal equity for the idle lands and socialized housing taxes

The coefficient of dispersion (COD) was computed using various stratification of the cases. The first table presented below groups the cases according to source of data.

²⁸ All conversion in this table is at US\$ 1 = PHP 41.24, per Peso – US Dollar Watch, National Statistical Coordinating Board

Table 9. COD for Sub-groups According to Source of Data

Group	Count	Median of AV/MV	95% Confidence Interval for Median			COD
			Lower Bound	Upper Bound	Actual Coverage	
Registrations of new ownership	180	.173	.150	.182	95.6%	43.7
Appraisals for housing project loans	22	.161	.149	.176	98.3%	35.7
Total	202	.166	.152	.180	95.9%	44.5

For both sub-groups of data, as well as for the whole group, the coefficient of dispersion is higher than the acceptable range of 5.0 to 20.0 for vacant land (IAAO, 2013). The sub-group of appraisals is closer to the acceptable range, but is still nearly double the upper limit of the range. The high CODs indicate a lack of horizontal equity or assessment uniformity.

The second table groups the cases according to the sub-classifications in the schedule of fair market values.

Table 10. COD for Sub-groups According to Assessment Values

Group	Count	Median of AV/MV	95% Confidence Interval for Median			COD
			Lower Bound	Upper Bound	Actual Coverage	
Ra-6: P 500 (\$ 12)	21	.158	.148	.164	97.3%	12.9
Ra-5: P 1200 (\$ 29)	33	.216	.166	.282	96.5%	36.5
Ra-4: P 1500 (\$ 36)	51	.145	.120	.200	95.1%	47.9
Ra-3: P 2000 (\$ 48)	64	.179	.160	.184	96.7%	44.6
Ra-1 and Ra-2: P 2500 (\$ 61) and P 3000 (\$ 73)	33	.128	.111	.200	96.5%	60.8

When the sample data is stratified according to assessment values, the cases in the lowest-value group are in the acceptable range. As the assessment values go up, COD strays farther from the acceptable range for horizontal equity. This means that properties that are paying at the same assessment values actually have highly variable market values.

Referring to Figure 10, which shows the proportion of taxes due from each of the sub-classifications, Ra-3, Ra-4 and Ra-5 make up 79% of the taxes due on residential land. They all exhibit a high degree of horizontal inequity. Ra-6, which has acceptable COD, makes up only 6% of the taxes due on residential land.

Another way of stratifying attempted in the table below is by market value.

Table 11. COD for Sub-groups According to Market Values

Group	Count	Median of AV/MV	95% Confidence Interval for Median			COD
			Lower Bound	Upper Bound	Actual Coverage	
Less than P 4,000 (\$ 97)	30	.175	.160	.323	95.7%	60.0
From P 4,000 to less than P 7,000 (\$ 97 - 170)	36	.240	.231	.282	97.1%	24.8
From P 7,000 to less than P 11,000 (\$ 170 - 267)	40	.192	.166	.200	96.2%	17.2
From P 11,000 to less than P 20,000 (\$ 267 - 485)	53	.151	.125	.175	97.3%	29.3
P 20,000 and higher (\$ 485)	43	.081	.061	.089	96.8%	37.4

The middle sub-group is in the acceptable COD range, indicating horizontal equity. The sub-group next lower also comes close, but the others stray farther, with the lowest sub-group having the highest COD. This result with the lowest-valued properties contrasts with the result in Table 10 for Ra-6. The differences between Tables 10 and 11 indicate that assessment and market values have limited association.

4.3.3 Vertical equity for the idle lands and socialized housing taxes

For the PRD, only stratification by source of data was employed to derive the value.

Table 12. PRD for Sub-groups According to Source of Data

Group	Count	Mean AV/MV	95% Confidence Interval for Mean		Weighted Mean	95% Confidence Interval for Weighted Mean		PRD
			Lower Bound	Upper Bound		Lower Bound	Upper Bound	
Registrations	180	.175	.165	.194	.124	.109	.139	1.446
Appraisals	22	.205	.154	.256	.204	.152	.257	1.002
Total	202	.182	.168	.196	.126	.112	.141	1.445

Over-all, the PRD is outside the acceptable range of 0.98 to 1.03. With a value higher than the acceptable range, the PRD indicates a tendency to regressivity. This means that higher-priced properties are paying proportionately lower than lower-priced properties.

However, the small number of cases in the sub-group of SHFC appraisals is nearly on the ideal PRD of 1.0, which indicates vertical equity in the sub-group. The group may be too small to show much deviation, or an inference may be made that the conditions surrounding the SHFC projects are so defined that the AV/MV ratios turn up nearly uniform.

4.3.4 Assessment equity for balanced housing

The options given to developers for making contributions to balanced housing negate the concept of assessment uniformity and equity. When the contribution is made in the form of land elsewhere in the country, the proportion is based on land area. The option given to

developers to locate the compliance project anywhere in the country makes the proportion of captured land value variable.

When the contribution is a proportion of the total project cost, the base includes both land and improvements. This makes the proportion of captured residual land value variable, but because this mode of contribution is value-based, total contributions are in principle made at a uniform rate.

A challenge for the second mode is the incentive to developers to optimally price any or all of the project cost components in order to avoid a large contribution.

4.3.5 Perceived issues in achieving equity

In interviews with the City Assessor's Office and the Subdivision Administration Unit, the following were cited as areas for improvement:

- The qualification of idle lands as 50% "unutilized" or "unimproved" needs a better operational definition.
- The schedule of fair market values still based on the 1995 ordinance needs to be updated. The Assessor's Office regularly prepares a budget for a general revision, and is capable of conducting a general revision. However, the budget and the plan for general revision are also regularly turned down, with city executives and legislators justifying the postponement with consideration for taxpayers' economic situation.
- The ruling of the Department of Justice that condominium developments are exempted from balanced housing has significant adverse effect on the policy's equal treatment of developers. (However, there may be confusion about this concern as this research has failed to turn up documentation of said ruling.)

4.4 Indicators of Efficiency

4.4.1 Base

For the idle lands tax, the base is defined in the Quezon City Revenue Code as: 1) all lands greater than 1,000 square meters in area, 50% of which is unutilized or unimproved, and 2) regardless of area, residential lots in subdivisions along existing national roads (*Quezon City Revenue Code 1993, Section 11[a] and [b]*).

For the socialized housing tax, the base is all lands with assessed values greater than PHP 100,000 (US\$ 2,425²⁹) (*Socialized Housing Tax Ordinance 2011, Section 3*). The policy specifies land as the base of this tax, and a check with assessment reports confirms that buildings are not included in calculating values for this tax.

For whatever definition the tax policy adopts, in the formula for tax revenue identity, the Base is assigned the value of 100%.

²⁹ At US\$ 1 = PHP 41.24, per Peso – US Dollar Watch, National Statistical Coordinating Board

4.4.2 Rate

The cap set by national law for the idle lands tax is 5%. However, Quezon City applies a lower rate: 1) 3% for lots along national roads, and 2) 1% for all other lots that meet the criteria for idle lands (*Quezon City Revenue Code 1993, Section 11*). These translate to 60% and 20% respectively of the allowed Rate for the idle lands tax.

For socialized housing tax, the rate allowed by national law is 0.5% for lands with assessed values greater than PHP 50,000 (US\$ 1,212 at 2013 prices, US\$ 1,960 at 1992 prices) (*UDHA 1992, Section 43*). The same rate of 0.5% is adopted by the city but the threshold is higher, at PHP 100,000 (US\$ 2,425) of assessed land value (*Socialized Housing Tax Ordinance 2011, Section 3*). This matter is taken up in Coverage in 4.4.3.

Based on the specifications of the tax base and rate, as well as the city's records of real property as of end of 2012, the taxes due for the two types of taxes as they appear in the assessment reports are as follows:

Table 13. Taxes Due

	2011	2012	2013
Idle lands tax	PHP 146.1 Million ³⁰ (US\$ 3.4 Million) ³¹	PHP 132.8 Million ³² (US\$ 3.1 Million)	PHP 121.6 Million ³³ (US\$ 2.9 Million)
Socialized housing tax	Not applicable	Not available	PHP 184.6 Million ³⁴ (US\$ 4.5 Million)

There is a noticeable downward trend in the amounts due for the idle lands tax, which may be explained in several ways: 1) the idle lands tax is achieving the objective of encouraging landowners to utilize their land; 2) market conditions are favourable enough to encourage landowners to utilize their land; 3) landowners who had previously not declared improvements have decided to do so; and 4) the city's system is somehow correcting the identification of idle lands.

In any case, the implication is that the idle lands tax may not be as stable a source of revenue as the socialized housing tax. The socialized housing tax is also bigger in total because of the larger base. However, the socialized housing tax is imposed only for a period of five years.

4.4.3 Coverage

With the electronic mapping that the city employs, the offices of the City Assessor and the Information Technology Development Office (QC-ITDO) are able to say that the cadastre has 100% Coverage of all land parcels that should be in the tax rolls.

³⁰ Quezon City Taxable Properties as of December 31, 2010

³¹ All conversion on this table is done for the respective years indicated, using rates from Peso-US Dollar Watch, National Statistical Coordinating Board.

³² Quezon City Taxable Properties as of December 31, 2011

³³ Quezon City Taxable Properties as of December 31, 2012

³⁴ Ibid.

According to QC-ITDO, this was borne out during the pilot-testing of the Geographic Information System (GIS) conducted in 2008. It was found that there are instances of improvements not being declared for tax purposes, but land parcels are all identified. On the other hand, an issue that needs continuing attention is the phenomenon of overlapping declarations for some land parcels, meaning there is more than one claimant. Also, some land areas that should not have been allowed for declaration, like legal easements of waterways or actual creek beds, have become part of the tax rolls. These issues effectively result in more than 100% Coverage, but so as not to skew the calculation of the statutory revenue identity, not more than 100% shall be assigned for the value of the Coverage in this study.

However, provisions for exemption affect coverage. With regard to the socialized housing tax, the higher threshold of the local ordinance for qualified taxpayers means that the local law allows more taxpayers to be exempted from the tax. Although the national law was adopted in 1992, no adjustment has been made to its threshold of PHP 50,000 (US\$ 1,212 at 2013 prices³⁵, US\$ 1,960 at 1992 prices³⁶) assessed land value, while Quezon City collects taxes only starting from PHP 100,000 (US\$ 2,425³⁷) of assessed land value.

The city decided to forego collecting from properties with assessed values in the PHP 50,000-100,000 range across all land uses (commercial, residential, industrial and others). For residential land, these would be the properties with a land component in the PHP 278,000-556,000 price range (US\$ 6,741-13,482), assuming assessed values actually correlate with market values. For commercial and industrial land, these would be properties with a land component in the PHP 111,000-222,000 price range (US\$ 2,692-5,384). On the city's website is an article that says that, according to the computations of the QC-ITDO, the socialized housing tax affects "only 26% of the city's real property taxpayers" (Quezon City 2013, Socialized housing tax will remove urban blight).

The factors of over-declaration and exemptions tend to have opposite effects to each other. For purposes of this study, Coverage will be assigned the value of 100%.

4.4.4 Valuation

A factor in Valuation is the vertical regressivity of land-based taxes, signifying that land values are captured more inefficiently as the market values of land rise. Thus, for this study, the price-related differential (PRD) calculated for the total samples in 4.3.3 is carried over to the Valuation component in the formula for tax revenue identity. Using the over-all PRD of 1.445, and comparing it with the upper limit of 1.03 for acceptable PRD, the city is only 60% effective in vertical equity.

Another factor in Valuation is the decision of the city to set assessment levels at less than the national cap. For residential land, assessment level is at 18% of fair market values, which is less than the national cap of 20%. This translates to only 90% of the potential valuation.

³⁵ At US\$ 1 = PHP 41.24, per Peso – US Dollar Watch, National Statistical Coordinating Board (NSCB)

³⁶ At US\$ 1 = PHP 25.51, Economic and Social Database, Philippine Institute for Development Studies (PIDS). For the years available on the websites, US\$-PHP conversion rates are same for PIDS and NSCB.

³⁷ At US\$ 1 = PHP 41.24, per Peso – US Dollar Watch, National Statistical Coordinating Board (NSCB). All other computations on this page are at this rate.

Taking the factors of vertical regressivity (60%) and lagging assessment levels (90%), Valuation is quantified at 54%.

The following table illustrates the rates effectively imposed on fair market values (FMV) of residential land for the idle lands and socialized housing taxes:

Table 14. Effective Rates

Type of tax	National cap			Quezon City		
	Assessment level	Tax rate	Effective rate	Assessment level	Tax rate	Effective rate
Idle lands, along national roads	20% of FMV	5%	1% of FMV	18% of FMV	3%	0.54% of FMV
Idle lands, all other locations	20% of FMV	5%	1% of FMV	18% of FMV	1%	0.18% of FMV
Socialized housing tax	20% of FMV	0.5%	0.1% of FMV	18% of FMV	0.5%	0.09% of FMV

The effective rate for the idle lands tax is hardly discouraging to speculation. At these rates, it will take hundreds of years to collect the cost of the land.

4.4.5 Collection

Due to incomplete information for the idle lands and socialized housing taxes, proxy data for Collection is taken from figures for Real Property Taxes as a whole. This is possible because idle lands and socialized housing taxes are billed and collected at the same instance as the annual Real Property Tax.

Total collection reported for calendar year 2012 is PHP 3.3 Billion (US\$ 78.2 Million³⁸) (Quezon City, 2013i). Total tax due as of end of 2011 is PHP 4.4 Billion (US\$ 103.7 Million) (Quezon City, 2013m). This computes to 75.39% Collection.

In terms of absolute values, the idle lands and socialized housing taxes have already posted the following collections since their respective start of implementation:

³⁸ All conversion on this page is done for the respective years indicated, using rates from Peso-US Dollar Watch, National Statistical Coordinating Board (NSCB).

Table 15. Collections and Taxes Due

		2011	2012	January-July 2013
Idle lands tax	Collections	PHP 71.4 Million (US\$ 1.6 Million)	PHP 80.1 Million (US\$ 1.9 Million)	PHP 70.8 Million (US\$ 1.7 Million)
	Tax due	PHP 146.1 Million (US\$ 3.4 Million)	PHP 132.8 Million (US\$ 3.1 Million)	PHP 121.6 Million (US\$ 2.9 Million)
	Proportion	48.9%	60.3%	58.2%
Socialized housing tax	Collections	Not applicable	PHP 140 Million (US\$ 3.3 Million)	PHP 173.4 Million (US\$ 4.2 Million)
	Tax due	Not applicable	Not available	PHP 184.6 Million (US\$ 4.5 Million)
	Proportion	Not applicable	Not available	93.9%

Source: Report of Collections for CY 2012

The collections for the first half of 2013 appear high in comparison to the total and the given period, but this could perhaps be explained by the discounts given by the city for early payment. Taxpayers are given discounts if they pay the full annual amount at the start of the year, rather than make the regular quarterly payments.

Since the two taxes are collected in the same way, the variance in the proportion of collections between the idle lands tax and the socialized housing tax gives rise to the possibility that, as a whole, taxpayers of the socialized housing tax are more diligent about paying than the taxpayers who are eligible for the idle lands tax.

In sum, the city collected in 2012 the following tax pesos for each of its residents:

Table 16. Per Capita Collection in 2012

Population	2,761,720
Real property tax	PHP 1,195 (US\$ 28)
Idle lands tax	PHP 29 (US\$ 0.69)
Socialized housing tax	PHP 51 (US\$ 1.2)

A family of five members would theoretically be able to avail of PHP 6,375 (US\$ 149.45) worth of housing services per year.

4.4.6 Levels of efficiency for the idle lands and socialized housing taxes

Taking the indicators of efficiency together, the formula for tax revenue identity calculates as follows:

Figure 12. Efficiency of the Idle Lands Tax – Upper Limit

Base	X	Rate	X	Coverage	X	Valuation	X	Collection	=	Revenues
100%		60%		100%		54%		75.39%		24.43%

The idle lands tax is currently, at most, at only 24.43% of its potential. The computation above assumes that all identified idle lands are along national roads and charged the 3% tax rate.

If that assumption is changed such that half of the taxable value is along national roads, and half is on other locations, the potential for revenue goes even lower, to 16.28% (The actual

proportion of taxable idle lands along national roads to those in other locations was not determined during this research.)

Figure 13. Efficiency of the Idle Lands Tax – Lower Estimate

Base		Rate		Coverage		Valuation		Collection		Revenues
100%	X	(50% X 60%) +	X	100%	X	54%	X	75.39%	=	16.28%
		(50% X 20%) = 40%								

The socialized housing tax is currently, at most, at 40.71% of its potential, based on the following computation:

Figure 14. Efficiency of the Socialized Housing Tax

Base	X	Rate	X	Coverage	X	Valuation	X	Collection	=	Revenues
100%		100%		100%		54%		75.39%		40.71%

4.4.7 Efficiency indicators for balanced housing

As in the analysis of assessment equity, quantifying the efficiency of contributions to socialized housing from developers through balanced housing is not possible in the period of study.

The Base can be identified from development permissions by the city’s Subdivision Administration Unit, and for information available for the years 2001 to 2008, and 2011 to 2012, the average aggregate land area approved for development per year is 15.36 hectares (SAU, 2009, 2012 and 2013). These are the subdivisions that are above the ceiling price for socialized housing, and are therefore required to comply with the balanced housing policy. However, no data is available as to their project cost.

The Rate, as noted in the discussion on assessment equity for balanced housing, is variable in that it can be 20% of land area or of project cost.

Coverage may be assumed to be 100%, in that no development proceeds without permission from the approving agencies.

Valuation is variable whether the contribution is made by calculating land area or project cost. If calculation is made by percentage of land area, the contribution of land may be made anywhere in the Philippines, and one can only guess at the proportion, in financial terms, of the contribution to the value of the original subdivision developed in the city.

From Table 8, the median market value per residential square meter in Quezon City is PHP 10,424 (US\$ 253). Based on the published listing of the Social Housing Finance Corporation, land that is used for socialized housing in other cities can be as low as PHP 250 (US\$ 6³⁹) per square meter, 2.4% of the cost of land in Quezon City. At those prices, a contribution of 20% land area would effectively recapture less than 0.5% of the cost of subdivision land in Quezon City.

³⁹ At US\$ 1 = PHP 41.24, per 2013 average, Peso – US Dollar Watch, National Statistical Coordinating Board (NSCB)

The option of contributing 20% of the project cost offers a greater opportunity for uniform valuation, but the challenge is the underlying incentive to developers to optimally price any or all of the various development components of land, site improvements and building construction so as to lower the developer's contribution.

Collection, likewise, cannot be assigned a value as there is as yet no monitoring of housing production resulting from balanced housing compliance, at either the national or local level of government. It is too early for data resulting from the 2012-2013 compliance guidelines to be available. But even with the previous set of IRRs, the only reporting on housing development available to this researcher that is directly attributed to balanced housing is the Socialized Housing Units Participation Trust Fund in the books of the National Housing Authority.

Annual reports of the National Housing Authority (NHA) show that PHP 72 Million (US\$ 1.6 Million⁴⁰) and PHP 65 Million (US\$ 1.4 Million⁴¹) were paid into the Trust Fund, from developers' contributions all over the country, in 2008 (NHA, 2009) and 2009 (NHA, 2010) respectively. These were the years that the Trust Fund was authorized. The Trust Fund was allowed to be used in any of the NHA's project sites (*NHA Board Resolution 5056 2007*), regardless of where the contributions originated.

Board Resolution 890 and the 2013 Circulars of the Housing and Land Use Regulatory Board, which are now the governing balanced housing regulations, likewise have not required that contributions under the balanced housing policy be made available to the city where the contribution originated.

4.4.8 Perceived issues in achieving efficiency

Officers in the City Assessor's Office, Information Technology Development Office, City Treasurer's Office, and the Subdivision Administration Unit discussed the following issues related to efficiency:

- The former city mayor made it his policy to prioritize improvement of collection efficiency over the imposition of new or higher taxes. Measures to improve collections included 1) auctioning off delinquent properties, 2) digitization of tax records, 3) computerized billing, 4) improving security of records, 5) integration of data within the city for the use of all departments. Eventually, assessment levels were raised in 2005 (e.g. from 15% to 18% of fair market values for residential land).
- The measures to improve collections succeeded in their purpose for several years. However, collections levelled off around the years 2006 to 2007, providing indication that tax rates may have been optimized at that point.
- The city recognized that it is always difficult to introduce new taxes, and the city departments put effort into providing enough information to taxpayers about the idle lands and socialized housing taxes. Information was given through mass media, primers, and big posters at the billing and payment stations.

⁴⁰ At US\$ 1 = PHP 44.48, per 2008 average, Peso – US Dollar Watch, National Statistical Coordinating Board (NSCB)

⁴¹ At US\$ 1 = PHP 47.64, per 2009 average, Peso – US Dollar Watch, National Statistical Coordinating Board (NSCB)

- The coverage and therefore the amount of contribution to balanced housing are adversely affected by the exemption of condominium developments from the policy. However this was a ruling of the Department of Justice as an interpretation of the law, and may be challenged. (As noted in 4.3.5, there may be confusion about this concern as this research has failed to turn up documentation of said ruling.)
- Local government feels powerless to monitor compliance of developers to this policy, as that role remains with the national agency Housing and Land Use Regulatory Board. As a result, even to the local government, the degree of efficiency of balanced housing is not transparent.

4.5 Indicators of effectiveness

4.5.1 Services and budget provided by the city government in the delivery of socialized housing

As discussed in 4.1.2, the Housing, Community Development and Resettlement Department is the city's lead office⁴² in designing and implementing "short-term and long-term housing programs and projects . . . for informal settlers and other underprivileged residents" (Quezon City 2013, Housing, Community Development and Resettlement Department).

Through this Department, the city implements the Direct Sale Program and participates in the implementation of the nationally-run Community Mortgage Program to help its constituents access adequate housing. Through the Direct Sale Program, the city itself disposes land that it already owns or recently acquired by sale or donation. The Community Mortgage Program is a financing scheme for low-income earners managed by the Social Housing Finance Corporation, an agency of the national government.

The Department performs the following functions to help low-income households access the Direct Sale Program, Community Mortgage Program (CMP), and other available housing assistance:

- Mediate negotiates for land acquisition
- Validate lists of beneficiaries and issue certifications
- Facilitate parcellation of titles for CMP project
- Document the loan process
- Assist national agencies in site studies for housing projects
- Assist in the establishment of community organizations
- Maintain a master list of hold-outs, "professional squatters", "squatting syndicates"⁴³, and help prosecute cases filed by urban poor communities against them
- Assist urban poor families or associations that are the subject of court-ordered eviction or demolition
- Prepare technical plans pertinent to housing and resettlement projects and attend to the documentation needed for such projects

⁴² Another agency under the local government, the Housing and Urban Renewal Authority (HURA), is also mandated to undertake socialized housing projects.

⁴³ These are defined in the Urban Development and Housing Act.

- Conduct census and maintain master list of all informal settlers in the city
- Facilitate delivery of basic utilities to socialized housing and relocation communities by helping to secure clearances, permits and other required documentation
- Monitor and help upgrade collection efficiency rates of housing project beneficiaries
- Issue schedules and orders of payment, as well as demand letters, to Direct Sale Program beneficiaries

All of the above services are within the scope of the regular services of the Department personnel and do not require additional funds aside from the Department's operating budget. Additional funds are required when services rendered are beyond the above scope.

For instance, in 2009, PHP 108 Million (US\$ 2.27 Million⁴⁴) was committed by the city to Direct Sale and CMP projects, meaning the city advanced funds for land purchase and/or provided site improvements such as road network and drainage. In 2010, PHP 18.5 Million (US\$ 410,112) was allotted to contribute to the community development of a national government housing project. And from 2007 onwards, PHP 1 Million (US\$ 21,669) has been allotted annually for land survey and titling assistance (UPAO in FDUP, 2011).

In a July 2013 interview, the City Budget Officer discussed that the charging of housing expenses was improved in 2012, and for that year, the Office can say that of the total PHP 148.8 Million (US\$ 3.5 Million) certified expenses for the socialized housing program, PHP 118.6 Million (US\$ 2.8 Million) was charged to the block of funds from national government transfers and PHP 30.2 Million (US\$ 715,064) came from locally generated funds.

In the same interview, it was discussed that a total of PHP 49.4 Million (US\$ 1.2 Million) has been spent in the first half of 2013 for the socialized housing program, but the breakdown of accounts charged is not yet available. According to the Housing, Community Development and Relocation Department, the expenses include payments to developers of the socialized housing projects that are supposed to be funded by the idle lands and socialized housing taxes.

Balanced housing has so far not figured in the programs and budget of the city government, either as a means to mobilize resources or as a program to support with infrastructure provided by the city.

4.5.2 Number of units, location and amenities provided for socialized housing

From 2006 to 2008, before the implementation of the idle lands and socialized housing taxes, the city contributed to the production of 2,558 units by acting as loan originator for land purchase through the Community Mortgage Program. In addition, for an unspecified number of years, the city contributed to a total of 5,203 units through the Direct Sale Program.

⁴⁴ All conversion on this page is done for the respective years indicated, using rates from Peso-US Dollar Watch, National Statistical Coordinating Board (NSCB).

As noted in 1.2, the Quezon City Shelter Plan (2011) also reports that the average annual production in the city for socialized housing from 2000 to 2010 was 2,003 units. These figures include both projects that received, and projects that did not receive, support from the city government.

In comparison, the city has 2,287 units in on-going and committed projects since 2011, funded from the idle lands and socialized housing taxes. In the pipeline are projects with a total of another 3,840 units. The city is advancing payment for land purchase and construction of housing units, and making an outlay for site improvements (Quezon City, 2013b).

The site improvements include the road network, drainage, parks and open spaces, slope protection when necessary, and sports facilities for some. These address the requirements of Section 21 of the Urban Development and Housing Act for basic services that local government must provide for socialized housing.

According to the Housing, Community Development and Resettlement Department, the cost of site development is typically subsidized by the city, not included in the computation of socialized housing beneficiaries' purchase price, in order to keep the cost to them at affordable levels. The current ceiling price set by the national government for socialized housing is PHP 400,000 (US\$ 9,699⁴⁵).

The Community Mortgage and Direct Sale Programs are both implemented in-city. The housing projects funded by the idle lands and socialized housing taxes are also implemented in-city. The total land area in on-going and committed projects is 11.34 hectares, while another 9.82 hectares are in pipeline projects.

The city government cannot attribute any housing production in the city to contributions from balanced housing.

The total number of new or upgraded housing units needed by the city's residents as of 2010 is 276,096. Deducting the numbers for doubled-up households in acceptable housing (31,631), as well as the number of units needing structural upgrading (7,844), the total requirement for socialized housing as of 2010 was 236,621 units. This is about a hundredfold of the average annual production that has been recorded so far.

4.5.3 Perceived issues in achieving effectiveness

The following problems were cited by officers of the Housing, Community Development and Resettlement Department, the Subdivision Administration Office and the Local Housing Board as obstacles to better service delivery in housing:

- Long-term financing is very slow in coming from the Home Development Mutual Fund (HDMF), the government financing institution that is currently being depended on by the city to roll over the funds it has advanced. This causes the city's funds to be locked up in one place for a long time rather than benefit more households and communities. From the proceeds of the two new taxes, the city had planned to advance payments to landowners,

⁴⁵ At US\$ 1 = PHP 41.24, per 2013 average, Peso – US Dollar Watch, National Statistical Coordinating Board (NSCB)

but not to developers. However, the processing of buyer financing from government financing institutions has proven to be much slower and more tedious than expected, and the city has had to make payments to developers in order to keep them working on the projects.

- The causes of slow processing of financing include 1) tedious requirements, 2) unwillingness of beneficiaries to cooperate with documentation once they have been allowed to move in, and 3) difficulty of many prospective beneficiaries in qualifying for the program of the government financing institution (only the formally employed qualify).
- The interest rate of HDMF for the lowest bracket has gone up.
- Hold-outs and rival community organizations are able to obstruct development in many instances by overturning decisions that had already been made by majority of beneficiaries.
- It is difficult to find relocation areas for resident families that cannot be accommodated in a re-blocked community. These include families with dwelling structures that are on road right-of-way.
- The documents from the Bureau of Internal Revenue which are required for loan documentation, including the Certificate Authorizing Registration, are hard to obtain.
- Overlapping claims and legal challenges to land ownership can halt development.
- Regarding the balanced housing policy, the local government has no powers to monitor and ensure compliance. The Housing and Land Use Regulatory Board is not compelled to conduct joint inspections with the local government.
- The ruling of the Department of Justice exempting condominium developments from the balanced housing policy limits the scope of the program, especially with the growing number of such developments in the city.
- Compliance to balanced housing is not transparent to its target beneficiaries. Likewise, reporting on the utilization of the idle lands and socialized housing taxes need to be more transparent to the groups they are intended to benefit.

Many of the concerns (e.g. bureaucracy, legal challenges) expressed by the local government officials are unrelated to the three instruments that are the subject of this study in the sense that the issues cannot be resolved by the local government alone nor by their use of more funds. However, they are listed here as the views of the officials themselves on the effectiveness of housing services, which might affect the perception of the effectiveness of the taxes and policies supporting them.

Chapter 5: Conclusions and Recommendations

5.1. Key Findings on the Idle Lands Tax

- a. The idle lands tax is *de facto* earmarked for socialized housing. If the City Ordinance creating the Socialized Housing Special Account is adopted, it will be earmarked *de jure*.
- b. The idle lands tax is a local tax imposed by the Quezon City Revenue Code, which was adopted by City Ordinance. The imposition was enabled by two national laws, the Local Government Code of 1991 and the Urban Development and Housing Act of 1992.
- c. The idle lands tax is an instrument for land value capture, with unimproved land as its base.
- d. The tax has two explicit purposes: 1) to generate additional revenues, and 2) to encourage landowners to initiate development on their land. The low tax rate suggests that it may not be enough to discourage holding land idle. However, there is a noticeable downward trend in the amounts due every year for the tax, which may or may not be a result of more land development encouraged by the idle lands tax.
- e. The tax is administered through the efforts of several departments of the city, with a shared database.
- f. Sample cases indicate that the land taxes in Quezon City have a low degree of assessment equity, horizontally or vertically. The COD results indicate that taxpayers are being assessed the same even if their market values are disparate, and that as the assessment value goes up, there is a worsening level of assessment uniformity. However, there are certain strata among the cases that exhibit horizontal equity. On the other hand, the PRD results indicate that the taxes tend to be regressive. Higher-valued properties are taxed proportionately less than lower-valued properties.
- g. Real property assessment relies on a schedule of fair market values that dates back to a City Ordinance adopted in 1995.
- h. Efficiency of the idle lands tax in revenue generation is still at only a quarter of its potential. It is adversely affected by the factors of Rate, Valuation and Collection. Rate and Valuation in this case are decided by policy, while Collection is affected by administrative factors.

5.2 Key Findings on the Socialized Housing Tax

- a. The socialized housing tax is earmarked for socialized housing.
- b. It is a local tax imposed by City Ordinance. The imposition was enabled by a national law, the Urban Development and Housing Act.

- c. The socialized housing tax is an instrument for land value capture, with its base in all land parcels with assessed values of more than PHP 100,000 (US\$ 2,425). Improvements are not included in the base of this tax.
- d. The socialized housing tax is closer to the mechanism of a temporary property tax rate increase than to betterment tax or tax increment financing (TIF). Although the socialized housing tax shares the features of a fixed payment schedule with the betterment tax and TIF, it misses other significant features of the betterment tax (computation of total project cost or investment to be recovered, valorization resulting from the investment, identification of properties benefiting from the investment) and TIF (determination of a base value, measurement of value increment from the base value).

The socialized housing tax is like the temporary property tax rate increase used in other countries that is usually earmarked for a specific purpose that benefits the city as a whole, directly or indirectly. However, the tax credits feature of the socialized housing tax is something that is so far not seen in literature reviewed for this research.

- e. The socialized housing tax shares its administration by the city departments with the real property tax and the idle lands tax.
- f. The conclusions regarding assessment inequity may also be reached regarding the socialized housing tax since the assessment methodology is one and the same. However, regressivity may have been addressed to a certain degree by the exemption given to land under a certain threshold of assessed values. This means that the smallest taxpayers are protected from having to pay this tax.
- g. The socialized housing tax has a bigger base than the idle lands tax, which results in a larger total tax due, in spite of having a much lower rate than the idle lands tax.
- h. The efficiency in revenue generation of the socialized housing tax is adversely affected by Valuation and Collection. The tax is at less than half of its potential.

5.3 Key Findings on the Balanced Housing Policy

- a. The policy seeks to benefit socialized housing.
- b. The guidelines for implementation were drafted, and are being imposed, by a national agency.
- c. The balanced housing policy may be considered an instrument of land value capture. The contribution required by the policy may be calculated in two ways, both land-based, but not in direct proportion to land value. The first option of contribution of land is based on land area, not value. The second option of contribution of percentage of the project cost is based on the cost land as well as improvements.
- d. The balanced housing policy is more like fees-in-lieu than inclusionary housing. The guidelines make it clear that the option of land contribution may be made anywhere in the country, not necessarily in or near the main housing project. The guidelines give more attention to the various ways of complying through the option of contributing a

percentage of the project cost. A difference though is that, in literature on fees-in-lieu, the resulting public good becomes flexible but remains tangible in the arena of the local government (Evans-Cowley, 2006), not aggregated in the bigger pool of national government, as what happens with balanced housing contributions.

- e. The local government of Quezon City has no part in the enforcing compliance of the policy among developers with projects in Quezon City.
- f. The various modes for compliance fail to exhibit assessment uniformity.
- g. There are too many indicators with unknown (Base with regard to project cost, Collection) or variable (Rate, Valuation) indicators to be able to say that the policy is efficient to any degree in mobilizing resources for socialized housing.

5.4 Conclusions

- a. The three land value capture instruments present deficiencies in the areas of equity, efficiency and effectiveness.
- b. The idle lands and socialized housing taxes have so far not resulted in dramatic change in quantities of housing production. However, if the committed and pipeline projects funded by the earmarked taxes proceed as planned, the number of units produced will be higher per year. The city will also be utilizing more of its locally generated funds in land purchase and land development, rather than merely providing assistance for beneficiaries to access nationally operated financing programs.
- c. The obstruction of external factors hinders to a degree the effectiveness of the earmarked contributions. Some of the problems are being resolved with the resources mobilized by the earmarked contributions, but others cannot be resolved through bigger local government funding.
- d. The idle lands and socialized housing taxes present a means for the city to more actively and deliberately initiate affordable housing projects in-city. They increase the capacity of the city to acquire locations within its territory that would minimize displacement to constituents needing new or better housing.

In contrast, balanced housing has so far not shown visible results in terms of spatially integrating affordable housing with other kinds of land uses in the city. The responsibility for effectiveness of the balanced housing policy remains borne by national government agencies and cannot be accounted at the city government level.

- e. The advent of the new earmarked taxes seems to have improved the transparency of budgeting and accounting for housing. The Budget Office, the Local Housing Board and other departments have their respective tasks in programming and tracking utilization of the proceeds for socialized housing. Already, figures have been reported for the 2012 and 2013 budgets and expenditures that were not previously reported for housing.

The proposed Socialized Housing Special Account will also enhance transparency.

- f. Not enough data is available as of yet to establish whether the annual budget for housing will see an increase due to the proceeds from the idle lands and socialized housing taxes.

The concern expressed in literature about earmarking resulting in bigger government is not appropriate in this context as the earmarked taxes are not enough to fully fund the requirement. A more appropriate concern would be if the local government executives decide to wholly rely on the earmarked taxes for housing delivery, replacing previous sources from general funds.

- g. The three instruments share the characteristic of being unstable in terms of providing a steady supply of resources for socialized housing: 1) the idle lands tax is likely to get smaller with time and continued urban development, 2) the socialized housing tax is imposed for a period of five years only, and in fact will be given back as tax credits to taxpayers, 3) balanced housing is only as good as the performance of the housing market as a whole.
- h. Over-all, the findings do not detect negative effects on social housing delivery or its intended beneficiaries. However, there are many areas that need to be improved before the idle lands tax, the socialized housing tax, and the balanced housing policy may truly be seen as appropriately earmarked for social housing.

5.5 Recommendations

On equity

- a. Updating the city's schedule of fair market values through a general revision appears to be the critical task in order to correct the apparent regressivity and improve assessment uniformity of property taxes in general, including the idle lands and socialized housing taxes. The city has the technical resources to undertake a revision but has so far chosen to exhaust other administrative measures (e.g. auctions of delinquent properties, computerization) to improve tax collection.

The strata that exhibited equity may be studied to see if conditions favourable to assessment uniformity can be identified. When such a general revision takes place, the operational definition of idle lands should also be reviewed and clarified.

- b. The balanced housing policy needs to be localized – in terms of legal mandate, organizational mechanisms for monitoring and enforcement, and availment of the resources mobilized by the policy. Localization will make the policy more transparent to the city's stakeholders, and through their engagement, give balanced housing a better chance of becoming a strong and useful policy.
- c. Equitable treatment of developers under the balanced housing policy entails a uniform rate of assessment. A uniform rate based on selling prices instead of project costs or land area might be easier to validate for monitoring and enforcement agencies.

On efficiency:

- d. If ever the balanced housing policy is localized, the fees-in-lieu could be pooled with the other funds in the Socialized Housing Special Account. This will improve the transparency and administration of the policy.
- e. The IAAO suggests that sunset provisions on exemptions (whether full or partial) become part of tax legislation, not only in consideration of erosion of Base values due to inflation but also to prevent 'entrenchment' (IAAO, 2010) where taxpayers begin to consider exemptions as permanent rights rather than as conditional concessions.
- f. The efficiency factors of Rate and Valuation, in this case, are policy issues. Sensitivity studies can be done with regard to approaching the national cap on tax rates and assessment levels.
- g. Quezon City has already done much to improve Coverage through electronic tax mapping and improving the security of records. Collection has also climbed to its present level due to enforcement and administrative measures such as auctions of delinquent properties, discounts to early taxpayers, computerized billing, and data-sharing among departments. These are strong measures that need to be sustained and enhanced in order to protect the gains.

On effectiveness:

- h. There are many more factors, external and internal, affecting effectiveness of housing delivery aside from the availability of funds. Utilization of the earmarked contributions needs to be designed and located with deliberation so as to leverage optimal results out of the housing programs and projects where the contributions will be used.
- i. Considering the scale and long-standing nature of the housing need, the stability of the funding sources needs to be looked at. The current instruments may be reviewed to improve their stability, but other sources might also need to come into play.
- j. With the particularly short span of the socialized housing tax, a plan has to be in place to ensure that the expected long-term funding from external institutions does come to fruition. Project finance accounting might be useful.

Areas for further study:

- k. This research is an initial attempt to put together a methodology that combines quantitative with qualitative measures to review various aspects of fiscal and non-fiscal resources of the city. The statistical analysis employed is very rudimentary, and the sample is very small compared to the scale of the city. The results could, however, be considered indicative for a bigger study that could be implemented by the city with big data and more rigorous analysis.
- l. In the same way that the use of earmarked contributions needs to be designed and located in the most optimal way to achieve the best results in the present time, there is reason in looking farther into the future for more durable results. The benefits of the housing programs and projects where the earmarked contributions will be used can be short-lived.

Beneficiaries can be substituted, subsidized units can go into the market and move out of the affordable stock, properties with public investments can be badly managed and deteriorate. With more careful planning and application of learning from experiences, the benefits could be longer-term, more enduring for the public good, and social housing less a constant process of depletion of public resources.

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Interviews

June 27, 2013	Subdivision Administration Unit (SAU)	Arch. Pedro Rodriguez Chief, SAU
July 1, 2013	City Treasurer's Office	Mr. Edgar T. Villanueva City Treasurer
		Atty. Angela M. Magsino Consultant
		Mr. Achilles Anthon B. Capiral Local Treasury Operations Officer III
July 4, 2013	Housing, Community Development and Resettlement Department	Mr. Ramon Asprer Department Head
July 10 and 16, 2013		Engr. Roger Yap Head, Technical Section
July 5 and 17, 2013	City Assessor's Office	Mr. Concepto Palanca Assistant City Assessor
July 10, 2013	City Budget Department	Ms. Marian Orayani City Budget Officer
July 12, 2013	Local Housing Board	Ms. Luz Savilla Urban Poor Representative
July 15, 2013	City Planning and Development Office	Ms. Alice Padua Project Development Officer V
July 15, 2013	QC – Information Technology Development Office	Mr. Reynald Paul Imjada Department Head
July 17, 2013	National Housing Authority	Ms. Ivy Marquez Community Relations Department Head

ANNEX 1

Interview Guides

General Introduction

<p>This interview is being conducted to gather data for a master thesis in Urban Management and Development. The working title of the thesis is “Earmarked contributions from captured land value: What do they do for social housing?”</p>

<p>Earmarked contributions are resource mobilization instruments or policies that governments use to fund the implementation of specified public goods. The Local Government Code and the Urban Development and Housing Act allow local governments to employ the idle lands tax, socialized housing tax, and the balanced housing policy in this manner. These instruments are the subject of this research, and since Quezon City is the only city in the Philippines so far to have implemented all three, it was chosen as the study area.</p>
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Semi-structured Interview (Secondary data): City Assessor

- What is the method used in assessing taxable value of land and improvements in Quezon City? (*Assessment manual or guidelines*)
- What are the factors used in assigning land values in the cadastre?
- Who assesses the factors and assigns land values?

- What is the range and distribution of residential land values in the city? (*Cadastral map*)

- What types of properties and property owners are covered by the idle lands tax? (*Implementing Rules and Regulations – QC Internal Revenue Code*)
- What types of properties or property owners are entitled to exemption or other preferential treatment from the idle lands tax?
- What level and agency of government establishes the rate for the idle lands tax?
- What level and agency of government establishes exemptions or preferential treatment for the idle lands tax?

- What types of properties and property owners are covered by the socialized housing tax? (*Implementing Rules and Regulations – QC Socialized Housing Tax Ordinance*)
- What types of properties or property owners are entitled to exemption or other preferential treatment from the socialized housing tax?
- What level and agency of government establishes the rate for the required contribution for the socialized housing tax?
- What level and agency of government establishes exemptions or preferential treatment for the socialized housing tax?

- What is the total residential land area covered by the idle lands tax?
- What are the land values for the areas covered by the idle lands tax?
- What is the assessment rate for residential land?
- What is the total taxable value for idle residential lands?

- What is the total residential land area covered by the socialized housing tax?
- What are the land values for the areas covered by the socialized housing tax?
- What is the total taxable value of lands covered by the socialized housing tax?

- How much of the land area that should be covered by the idle lands tax is actually included in the cadastre? (*Cadastral map*)
- How much of the land area that should be covered by the socialized housing tax is actually included in the cadastre?

-
- What government offices are involved in the implementation of the idle lands tax?
- What are the processes?
- What are the respective responsibilities of the government offices in these processes?
- What are their capacities for implementation?
- What are the difficulties in implementation?

- What government offices are involved in the implementation of the socialized housing tax?
- What are the processes?
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- What are their capacities for implementation?
- What are the difficulties in implementation?

Semi-structured Interview (Secondary data): Subdivision Administration Unit

- What types of properties and property owners are covered by the balanced housing policy? (*Implementing Rules and Regulations*)
- What types of properties or property owners are entitled to exemption or other preferential treatment from the balanced housing policy?
- What level and agency of government establishes the rate for the required contribution for balanced housing?
- What level and agency of government establishes exemptions or preferential treatment for the balanced housing policy?

- How is the developer's contribution to socialized housing calculated under the balanced housing policy? (*Implementing Rules and Regulations*)
- What are the various modes of compliance?

- For the modes of compliance based on land value, are the same land values in the cadastre used when calculating the contribution for balanced housing?
- Who calculates the required contribution for balanced housing?

- What is the total land area covered by new applications for development permits that is subject to the balanced housing policy? (*Report on development applications 2012*)
- What are the land values for these areas?

- How many socialized housing units were committed under the balanced housing policy from 2007 to 2011? (*Reports on development applications*)
- How much cash has been committed under alternative modes of compliance of the balanced housing policy?

- How much of the land area that should be covered by new applications for development permits is actually reported?
- How many socialized housing units were built under the balanced housing policy from 2007 to 2011?
- How much of the total required contribution in cash under the balanced housing policy was actually paid from 2007 to 2011?

- What government offices are involved in the implementation of the balanced housing policy?
- What are the processes?
- What are the respective responsibilities of the government offices in these processes?
- What are their capacities for implementation?
- What are the difficulties in implementation?

- How many socialized housing units were built and turned over by the city in the 5 years before the implementation of the balanced housing policy?

Semi-structured Interview (Secondary data): City Treasurer

- How much has been collected every year from the idle lands tax since its implementation? (*Collection reports*)
- How much has been collected every year from the socialized housing tax since its implementation? (*Collection reports*)

- How much of the land area that should be covered by the idle lands tax is actually included in the cadastre? (*Tax map*)
- How much has the city billed for the idle lands tax every year since its implementation?
- How much of the total billed amount for the idle lands tax has been actually paid? (*Collection reports*)

- How much of the land area that should be covered by the socialized housing tax is actually included in the cadastre? (*Tax map*)
- How much has the city billed for the socialized housing tax every year since its implementation?
- How much of the total billed amount for the socialized housing tax has been actually paid? (*Collection reports*)

- What government offices are involved in the implementation of the idle lands tax?
- What are the processes?
- What are the respective responsibilities of the government offices in these processes?
- What are their capacities for implementation?
- What are the difficulties in implementation?

- What government offices are involved in the implementation of the socialized housing tax?
- What are the processes?
- What are the respective responsibilities of the government offices in these processes?
- What are their capacities for implementation?
- What are the difficulties in implementation?

Semi-structured Interview: Urban Poor Affairs Office

- How many units are required to adequately house the lower-income households in the city?
- How many units does the city plan to provide every year for the next 5 years?

- How many socialized housing units have been committed / built / turned over using the revenues from the idle lands tax?
- How many socialized housing units have been committed / built / turned over using revenues from the socialized housing tax?
- How many socialized housing units have been committed / built / turned over under the balanced housing policy?
- How many socialized housing units were built and turned over by the city in the 5 years before the implementation of the idle lands and socialized housing taxes?

- What is the cost to beneficiaries of the socialized housing units built from the idle lands and socialized housing taxes?
- Where are the socialized housing units built from the idle lands and socialized housing taxes located?
- What amenities were provided?
- What is the profile of the beneficiaries of the idle lands and socialized housing taxes?
- How were they screened?

- What is the cost to beneficiaries of the socialized housing units built under the balanced housing policy?
- Where are the socialized housing units built under the balanced housing policy located?
- What amenities were provided?
- What is the profile of the beneficiaries of the balanced housing policy?
- How were they screened?

Semi-structured Interview: City Planning and Development Office

- How many units are required to adequately house the lower-income households in the city?
- How many units does the city plan to provide every year for the next 5 years?

Semi-structured Interview: City Budget Office

- How many socialized housing units have been committed using the revenues from the idle lands tax? (*Budget Department Reports*)
- How many socialized housing units have been committed using revenues from the socialized housing tax?
- How many socialized housing units have been committed under the balanced housing policy?

- How much has been allotted every year by the city for housing since the implementation of the idle lands and socialized housing taxes? (*Budget Department Reports*)
- How much was allotted by the city for housing in the 5 years before the implementation of the idle lands and socialized housing taxes?

Semi-structured Interview: National Housing Authority

- How much cash has been contributed by developers in Quezon City under alternative modes of compliance of the balanced housing policy?
- How does the National Housing Authority expend the cash payments from the balanced housing policy?
- What amenities or services were provided by the NHA using the cash payments?

- What is the responsibility of the NHA in the implementation of the balanced housing policy?
- What are the processes that NHA undertakes to fulfil these responsibilities?
- What are the capacities of NHA for implementation?
- What are the difficulties in implementation?

- What is the cost to beneficiaries of the socialized housing amenities or services provided under the balanced housing policy?
- In what locations has the NHA spent the payments from Quezon City developers?

- What is the profile of the beneficiaries of the balanced housing policy?
- How were they screened?

Semi-structured Interview: Taxpayers Alliance of the Philippines Inc.

- Are taxpayers aware of how land values are assigned?
- Are taxpayers aware of how the idle lands tax is calculated?
- Are taxpayers aware of how the socialized housing tax is calculated?

- Do taxpayers feel that the idle lands tax is a fair tax?
- Do taxpayers feel that the socialized housing tax is a fair tax?

- Do taxpayers know how and where the contributions from the idle lands tax and socialized housing tax should be spent?

Semi-structured Interview: Chamber of Real Estate and Builders Associations Inc.

- Are developers aware of how land values are assigned and used in the calculation of contributions for balanced housing?
- Do developers feel that the balanced housing policy is a fair policy?
- What are the actual sales prices for residential land in the different parts of the city?
- Do developers know how and where the contributions from the balanced housing policy should be spent?

Semi-structured Interview: Urban Poor Representative in Local Housing Board

- What is the cost to beneficiaries of the socialized housing units built from the idle lands and socialized housing taxes?
- Where are the socialized housing units built from the idle lands and socialized housing taxes located?
- What amenities were provided?

- What is the profile of the beneficiaries of the idle lands and socialized housing taxes?
- How were they screened?

- What is the cost to beneficiaries of the socialized housing units built under the balanced housing policy?
- Where are the socialized housing units built under the balanced housing policy located?
- What amenities were provided?

- What is the profile of the beneficiaries of the balanced housing policy?
- How were they screened?

- Do prospective beneficiaries know how and where the contributions from the idle lands tax / socialized housing tax / balanced housing policy should be spent?

Annex 2

Cases Processed for COD and PRD

	Barangay	Congressional District	Assessment District	Project name, location	Source of data	Sale price, PHP/sqm	Year of sale	Sale price, 2013 PHP/sqm	Appraisal, PHP/sqm	Year of appraisal	Appraisal, 2013 PHP/sqm	Assessment level per SP-357, S-1995
1	Amihan	3	10	Narra St.	QC Assmt	10,432.19	2013	10,432.19				1,500.00
2	Baesa	6	17	Pacific	QC Assmt	4,000.00	2013	4,000.00				500.00
3	Baesa	6	17	Tandang Sora Avenue	QC Assmt	5,692.31	2013	5,692.31				2,500.00
4	Baesa	6	17	Tandang Sora Avenue Extn.	QC Assmt	5,607.14	2013	5,607.14				2,500.00
5	Baesa	6	17	Villa Arca Ave.	QC Assmt	13,793.10	2013	13,793.10				1,200.00
6	Baesa	6	17	Anak Dalita ng Sitio Mendez Baesa HOA	SHFC	2,500.00			2,500.00	2006	3,294.49	500.00
7	Bagong Lipunan ng Crame	4	12	2nd Ave.	QC Assmt	10,000.00	2012	10,348.00				1,500.00
8	Bagumbayan	3	13	Acropolis	QC Assmt	45,454.55	2013	45,454.55				2,500.00
9	Bagumbayan	3	13	E. Rodriguez Ave.	QC Assmt	15,000.00	2013	15,000.00				3,000.00
10	Bagumbayan	3	13	E. Rodriguez Ave.	QC Assmt	38,461.54	2013	38,461.54				3,000.00
11	Bahay Toro	1	18	Congressional Ave.	QC Assmt	13,333.33	2013	13,333.33				2,000.00
12	Bahay Toro	1	18	Congressional Ave.	QC Assmt	6,875.00	2013	6,875.00				2,000.00
13	Bahay Toro	1	18	Congressional Ave.	QC Assmt	40,007.62	2013	40,007.62				2,000.00
14	Bahay Toro	1	18	Congressional Ave.	QC Assmt	16,098.23	2013	16,098.23				2,000.00
15	Bahay Toro	1	18	Congressional Village	QC Assmt	13,374.49	2013	13,374.49				1,200.00
16	Bahay Toro	1	18	Visayas Ave.	QC Assmt	36,000.00	2013	36,000.00				4,000.00
17	Blue Ridge	3	10	Highland Drive	QC		2013					

					Assmt	9,125.00		9,125.00				2,000.00
18	Blue Ridge	3	10	Hillside Loop	QC Assmt	11,000.00	2013	11,000.00				2,000.00
19	Bungad	1	6	Bayaya St.	QC Assmt	10,714.29	2013	10,714.29				2,000.00
20	Central	4	9	Kalayaan Ave.	QC Assmt	18,630.65	2012	19,278.99				4,000.00
21	Central	4	9	Malakas St.	QC Assmt	53,388.09	2012	55,246.00				2,000.00
22	Central	4	9	Malakas St.	QC Assmt	59,276.10	2012	61,338.91				2,000.00
23	Central	4	9	Marunong St.	QC Assmt	11,030.97	2012	11,414.85				2,000.00
24	Central	4	9	Matapang St.	QC Assmt	12,123.66	2012	12,545.56				2,000.00
25	Central	4	9	Matiyaga St.	QC Assmt	5,012.53	2012	5,186.97				2,000.00
26	Culiat	6	18	Commonwealth Ave.	QC Assmt	20,000.00	2013	20,000.00				4,500.00
27	Culiat	6	18	Congressional Ave.	QC Assmt	8,316.01	2013	8,316.01				2,000.00
28	Culiat	6	18	Kalaw St.	QC Assmt	5,496.02	2013	5,496.02				1,500.00
29	Culiat	6	18	Lopez Jaena St.	QC Assmt	6,523.53	2013	6,523.53				1,500.00
30	Culiat	6	18	Tierra Pura	QC Assmt	7,434.94	2013	7,434.94				1,500.00
31	Culiat	6	18	UP Professors Subd.	QC Assmt	8,000.00	2013	8,000.00				1,200.00
32	Culiat	6	18	Villa Firenze	QC Assmt	5,714.29	2013	5,714.29				1,200.00
33	Culiat	6	18	Villa Firenze	QC Assmt	5,555.56	2013	5,555.56				1,200.00
34	Culiat	6	18	Kapisanan ng Sambahayang Magkakapitbahay ng Barangay Culiat HOA	SHFC	2,350.00			2,375.00	2006	3,129.76	500.00
35	Culiat	6	18	Nepomuceno Compound HOA	SHFC	2,000.00			2,941.00	2007	3,770.07	500.00
36	Damayan	1	6	F. D. Mayo	QC Assmt	7,500.00	2013	7,500.00				1,500.00
37	Damayan Lagi	4	14	12th St.	QC Assmt	32,902.47	2013	32,902.47				2,000.00
38	Damayan Lagi	4	14	9th St.	QC Assmt	12,172.28	2013	12,172.28				2,000.00
39	Damayan Lagi	4	14	Calvary Hill	QC Assmt	7,228.92	2013	7,228.92				2,000.00

40	Damayan Lagi	4	14	Madison	QC Assmt	15,422.65	2013	15,422.65				2,000.00
41	Del Monte	1	6	Mariblo St.	QC Assmt	5,213.27	2013	5,213.27				1,500.00
42	Dona Imelda	4	2	Araneta Ave.	QC Assmt	25,405.79	2012	26,289.91				5,000.00
43	Dona Imelda	4	2	Kapiligan St.	QC Assmt	16,800.00	2013	16,800.00				1,500.00
44	Dona Imelda	4	2	Zaragosa	QC Assmt	12,621.71	2013	12,621.71				1,500.00
45	Dona Josefa	4	3	Agno St.	QC Assmt	57,142.86	2013	57,142.86				2,000.00
46	Duyan-duyan	3	10	Narra St.	QC Assmt	10,476.19	2013	10,476.19				1,500.00
47	E. Rodriguez	3	12	E. Garcia cor. 15th Ave.	QC Assmt	6,535.95	2013	6,535.95				2,000.00
48	E. Rodriguez	3	12	Montreal	QC Assmt	8,888.89	2013	8,888.89				2,000.00
49	East Kamias	3	9	K-11th	QC Assmt	9,994.68	2013	9,994.68				2,000.00
50	East Kamias	3	9	K-8th	QC Assmt	40,000.00	2013	40,000.00				2,000.00
51	East Kamias	3	9	K-8th	QC Assmt	40,000.00	2013	40,000.00				2,000.00
52	East Kamias	3	9	K-J	QC Assmt	12,383.35	2013	12,383.35				2,000.00
53	Kamuning	4	8	K-3rd	QC Assmt	66,666.67	2013	66,666.67				1,500.00
54	Kamuning	4	8	K-4th	QC Assmt	28,333.33	2013	28,333.33				1,500.00
55	Kaunlaran	4	12	Banahaw St.	QC Assmt	10,000.00	2012	10,348.00				2,000.00
56	Kaunlaran	4	12	Kaunlaran	QC Assmt	15,000.00	2013	15,000.00				1,500.00
57	Laging Handa	4	8	Sct. Lozano	QC Assmt	10,864.20	2013	10,864.20				2,000.00
58	Lourdes	1	3	Cordillera St.	QC Assmt	23,333.33	2013	23,333.33				2,000.00
59	Lourdes	1	3	Laon Laan St.	QC Assmt	39,473.68	2013	39,473.68				2,000.00
60	Lourdes	1	3	Lourdes	QC Assmt	15,100.67	2013	15,100.67				1,500.00
61	Lourdes	1	3	Speaker Perez St.	QC Assmt	12,500.00	2013	12,500.00				2,000.00
62	Loyola Heights	3	15	B. Gonzales St.	QC Assmt	20,120.72	2013	20,120.72				2,000.00

63	Loyola Heights	3	15	Esteban Abada St.	QC Assmt	20,000.00	2013	20,000.00				2,000.00
64	Loyola Heights	3	15	Esteban Abada St.	QC Assmt	20,000.00	2013	20,000.00				2,000.00
65	Loyola Heights	3	15	Guerrero St.	QC Assmt	24,558.18	2013	24,558.18				2,000.00
66	Loyola Heights	3	15	Katipunan Ave.	QC Assmt	37,201.06	2013	37,201.06				4,500.00
67	Loyola Heights	3	10	Katipunan Ave.	QC Assmt	15,021.46	2013	15,021.46				4,500.00
68	Loyola Heights	3	15	Moscow St.	QC Assmt	11,150.00	2013	11,150.00				2,000.00
69	Loyola Heights	3	15	Xavierville 3	QC Assmt	20,000.00	2013	20,000.00				2,500.00
70	Manresa	1	5	Pagataan St.	QC Assmt	8,200.00	2013	8,200.00				2,000.00
71	Mariana	4	12	12th St.	QC Assmt	24,640.66	2013	24,640.66				1,500.00
72	Mariana	4	12	12th St.	QC Assmt	14,719.00	2013	14,719.00				1,500.00
73	Mariana	4	12	14th St.	QC Assmt	12,012.01	2013	12,012.01				1,500.00
74	Mariana	4	14	5th St.	QC Assmt	21,145.37	2013	21,145.37				1,500.00
75	Mariana	4	12	8th St.	QC Assmt	42,062.38	2013	42,062.38				1,500.00
76	Mariana	4	12	Balite Drive	QC Assmt	14,107.30	2013	14,107.30				2,500.00
77	Mariana	4	14	Hemady	QC Assmt	17,080.75	2013	17,080.75				2,500.00
78	Masagana	3	10	J. Perez St.	QC Assmt	9,730.21	2013	9,730.21				1,500.00
79	Masagana	3	10	Kalantiaw St.	QC Assmt	22,222.22	2013	22,222.22				1,500.00
80	Masambong	1	5	Gasas St.	QC Assmt	4,803.92	2013	4,803.92				2,000.00
81	Masambong	1	5	Mabituin St.	QC Assmt	4,500.00	2013	4,500.00				2,000.00
82	Masambong	1	5	Mabituin St.	QC Assmt	4,500.00	2013	4,500.00				2,000.00
83	Milagrosa	3	10	P. Tuazon Ave.	QC Assmt	8,474.58	2013	8,474.58				1,500.00
84	Paang Bundok	1	4	Bulusan St.	QC Assmt	2,916.67	2013	2,916.67				1,500.00
85	Paang Bundok	1	4	Iba St.	QC Assmt	7,500.00	2012	7,500.00				1,500.00

86	Pag-ibig sa Nayon	1	17	A. Bonifacio cor. Marvex	QC Assmt	15,576.32	2013	15,576.32				4,500.00
87	Paltok	1	6	Catanduanes St.	QC Assmt	8,571.43	2013	8,571.43				2,000.00
88	Paltok	1	6	La Union St.	QC Assmt	7,000.00	2013	7,000.00				1,500.00
89	Paltok	1	6	Natividad St.	QC Assmt	5,102.04	2013	5,102.04				2,000.00
90	Pansol	3	15	Ayala Heights	QC Assmt	19,455.25	2013	19,455.25				2,500.00
91	Pansol	3	15	Denmark St.	QC Assmt	11,000.00	2013	11,000.00				2,000.00
92	Pansol	3	15	Loyola Grand Villas	QC Assmt	12,000.00	2013	12,000.00				2,000.00
93	Pansol	3	15	Loyola Grand Villas	QC Assmt	11,150.00	2013	11,150.00				2,000.00
94	Pansol	3	15	Moscow St.	QC Assmt	11,150.00	2013	11,150.00				2,000.00
95	Pansol	3	15	Moscow St.	QC Assmt	11,000.00	2013	11,000.00				2,000.00
96	Pansol	3	15	Moscow St.	QC Assmt	11,120.00	2013	11,120.00				2,000.00
97	Pansol	3	15	Moscow St.	QC Assmt	11,100.00	2013	11,100.00				2,000.00
98	Pansol	3	15	Moscow St.	QC Assmt	11,100.00	2013	11,100.00				2,000.00
99	Pansol	3	15	Moscow St.	QC Assmt	11,471.86	2013	11,471.86				2,000.00
100	Pansol	3	15	Moscow St.	QC Assmt	11,100.00	2013	11,100.00				2,000.00
101	Pansol	3	15	Soliven Extn.	QC Assmt	11,500.00	2013	11,500.00				2,500.00
102	Pansol	3	15	Yakan St.	QC Assmt	28,089.89	2013	28,089.89				2,500.00
103	Pasong Tamo	6	18	Bato Bato St.	QC Assmt	6,483.79	2013	6,483.79				1,500.00
104	Pasong Tamo	6	18	Bonifacio Village	QC Assmt	6,250.00	2013	6,250.00				1,200.00
105	Pasong Tamo	6	18	Bonifacio Village	QC Assmt	3,400.00	2013	3,400.00				1,200.00
106	Pasong Tamo	6	18	Bonifacio Village	QC Assmt	5,000.00	2013	5,000.00				1,200.00
107	Pasong Tamo	6	18	Bonifacio Village	QC Assmt	3,400.00	2013	3,400.00				1,200.00
108	Pasong Tamo	6	18	Caimito St.	QC Assmt	11,295.60	2012	11,688.69				1,200.00

109	Pasong Tamo	6	18	Dao St. Mapayapa IV	QC Assmt	3,521.13	2013	3,521.13				1,200.00
110	Pasong Tamo	6	18	Maries Village	QC Assmt	2,673.80	2013	2,673.80				1,200.00
111	Pasong Tamo	6	18	Mira-Nila Homes	QC Assmt	6,500.00	2013	6,500.00				1,500.00
112	Pasong Tamo	6	18	Mira-Nila Homes	QC Assmt	6,483.79	2013	6,483.79				1,500.00
113	Pasong Tamo	6	18	Pampanga	QC Assmt	5,250.00	2011	5,633.71				1,500.00
114	Pasong Tamo	6	18	Road 17	QC Assmt	2,178.33	2013	2,178.33				500.00
115	Pasong Tamo	6	18	Sarimanok cor. Alondras	QC Assmt	7,000.00	2013	7,000.00				1,500.00
116	Pasong Tamo	6	18	T. Legarda	QC Assmt	7,000.00	2013	7,000.00				500.00
117	Pasong Tamo	6	18	Trinity Drive	QC Assmt	5,000.00	2013	5,000.00				1,200.00
118	Pasong Tamo	6	18	Trinity Drive	QC Assmt	7,000.00	2012	7,243.60				1,200.00
119	Pasong Tamo	6	18	Augustine Ville HOA	SHFC	2,500.00			2,792.86	2007	3,580.17	500.00
120	Pasong Tamo	6	18	Camachile Pasong Tamo Quezon City HOA	SHFC	2,000.00			2,124.34	2010	2,377.63	500.00
121	Pasong Tamo	6	18	Lema Ville HOA	SHFC	2,300.00			2,638.08	2009	3,058.91	500.00
122	Pasong Tamo	6	18	Maria Victoria HOA	SHFC	2,847.00			2,625.00	2005	3,719.58	1,200.00
123	Pasong Tamo	6	18	M-Pilar Ville HOA	SHFC	3,300.00			2,807.88	2009	3,255.80	2,000.00
124	Pasong Tamo	6	18	Palmdale HOA	SHFC	1,741.73			2,375.00	2008	2,866.77	500.00
125	Pasong Tamo	6	18	Realm Village HOA	SHFC	2,250.00			2,524.70	2008	3,047.47	1,200.00
126	Pasong Tamo	6	18	Samahang Magkakapitbahay ng Sitio Evergreen HOA	SHFC	1,500.00			3,833.33	2011	4,113.50	500.00
127	Pasong Tamo	6	18	San Labrador HOA	SHFC	2,500.00			2,200.00	2005	3,117.36	500.00
128	Pasong Tamo	6	18	Shining Hope HOA Phase I	SHFC	2,500.00			2,625.00	2007	3,364.99	500.00
129	Pasong Tamo	6	18	Shining Hope HOA Phase II	SHFC	3,000.00			2,625.00	2007	3,364.99	500.00
130	Pinyahan	4	9	Mapang-akit	QC Assmt	10,416.67	2013	10,416.67				2,000.00
131	Pinyahan	4	9	Matapang cor. Mapagbigay	QC Assmt	9,442.87	2013	9,442.87				2,000.00

132	Project 6	1	11	Project 6	QC Assmt	6,955.72	2013	6,955.72				1,500.00
133	Project 6	1	11	Road 3	QC Assmt	7,500.00	2013	7,500.00				1,500.00
134	Ramon Magsaysay	1	11	Ilocos Sur	QC Assmt	6,500.00	2013	6,500.00				1,500.00
135	Sacred Heart	4	8	Sct. Rallos Ext.	QC Assmt	85,388.99	2013	85,388.99				2,000.00
136	Salvacion	1	4	Ipo St.	QC Assmt	6,100.00	2013	6,100.00				1,500.00
137	San Antonio	1	6	E. Eligino	QC Assmt	6,581.74	2013	6,581.74				1,500.00
138	San Antonio	1	6	Roosevelt Ave.	QC Assmt	22,500.00	2013	22,500.00				2,000.00
139	San Jose	1	5	Tangali St.	QC Assmt	13,227.51	2013	13,227.51				2,000.00
140	Sangandaan	6	17	GSIS Village	QC Assmt	8,333.33	2013	8,333.33				1,200.00
141	Sangandaan	6	17	GSIS Village	QC Assmt	7,920.79	2013	7,920.79				1,200.00
142	Sangandaan	6	17	GSIS Village	QC Assmt	10,389.61	2013	10,389.61				1,200.00
143	Sangandaan	6	17	GSIS Village	QC Assmt	10,389.61	2013	10,389.61				1,200.00
144	Sangandaan	6	17	Insurance St.	QC Assmt	3,649.64	2011	3,916.38				1,200.00
145	Sangandaan	6	17	Paradise Village, Proj. 8	QC Assmt	7,875.00	2013	7,875.00				1,200.00
146	Santol	4	2	Araneta Ave.	QC Assmt	12,175.32	2013	12,175.32				5,000.00
147	Santol	4	2	Santol St.	QC Assmt	12,502.84	2013	12,502.84				2,000.00
148	Sauyo	6	18	Pascual Village HOA	SHFC	2,500.00			2,500.00	2005	3,542.46	1,200.00
149	Sauyo	6	18	United Garden HOA	SHFC	2,100.00			2,150.00	2005	3,046.51	500.00
150	Sauyo	6	18	United Garden HOA Phase II	SHFC	2,000.00			2,125.00	2005	3,011.09	500.00
151	Sauyo	6	18	United Garden HOA Phase III	SHFC	2,100.00			2,150.00	2006	2,833.26	500.00
152	Siena	1	5	Sgt. Alcaraz	QC Assmt	13,627.07	2013	13,627.07				1,500.00
153	Siena	1	5	Ubay St.	QC Assmt	9,862.44	2013	9,862.44				2,000.00
154	Socorro	3	13	11th Ave.	QC Assmt	13,544.02	2013	13,544.02				1,500.00

155	Socorro	3	13	14th Ave.	QC Assmt	10,937.50	2013	10,937.50				1,500.00
156	Socorro	3	13	14th Ave.	QC Assmt	6,250.00	2013	6,250.00				1,500.00
157	South Triangle	4	16	Quezon Ave.	QC Assmt	61,162.08	2013	61,162.08				5,000.00
158	South Triangle	4	16	Sct. Borromeo	QC Assmt	30,000.00	2013	30,000.00				2,500.00
159	South Triangle	4	16	Timog Ave.	QC Assmt	16,055.05	2013	16,055.05				5,000.00
160	Sta. Cruz	1	7	Heroes Hill Subd.	QC Assmt	7,500.00	2013	7,500.00				2,000.00
161	Sta. Cruz	1	7	Quezon Ave.	QC Assmt	37,548.89	2013	37,548.89				5,000.00
162	Sto. Domingo	1	3	Biak-na-Bato St.	QC Assmt	10,008.84	2012	10,357.15				2,500.00
163	Talipapa	6	18	Don Mariano	QC Assmt	5,000.00	2013	5,000.00				1,200.00
164	Talipapa	6	17	Quirino Highway	QC Assmt	14,929.58	2013	14,929.58				2,000.00
165	Talipapa	6	17	Villa Sabina	QC Assmt	3,825.14	2013	3,825.14				1,200.00
166	Tandang Sora	6	18	Administration St.	QC Assmt	7,000.00	2013	7,000.00				1,200.00
167	Tandang Sora	6	18	Auditing St.	QC Assmt	6,265.66	2013	6,265.66				1,200.00
168	Tandang Sora	6	18	Botocan St.	QC Assmt	5,555.56	2013	5,555.56				1,200.00
169	Tandang Sora	6	18	Carmel 3	QC Assmt	7,211.54	2013	7,211.54				1,200.00
170	Tandang Sora	6	18	Florencio St.	QC Assmt	5,144.69	2013	5,144.69				1,200.00
171	Tandang Sora	6	18	Greenfield St.	QC Assmt	5,406.25	2013	5,406.25				1,500.00
172	Tandang Sora	6	18	NAPOCOR Village	QC Assmt	12,500.00	2013	12,500.00				1,200.00
173	Tandang Sora	6	18	NIA Village	QC Assmt	4,250.00	2013	4,250.00				1,200.00
174	Tandang Sora	6	18	NIA Village	QC Assmt	4,250.00	2013	4,250.00				1,200.00
175	Tandang Sora	6	18	Proposed Visayas Ave.	QC Assmt	3,500.00	2013	3,500.00				2,000.00
176	Tandang Sora	6	18	G. H. Aldana Compound HOA	SHFC	2,000.00			2,170.00	2005	3,074.85	500.00
177	Tandang Sora	6	18	Handog sa Iyo Anak HOA	SHFC	3,000.00			2,833.89	2010	3,171.78	500.00

178	Tandang Sora	6	18	Malolos HOA	SHFC	3,047.00			2,637.50	2007	3,381.01	500.00
179	Tandang Sora	6	18	Tandang Sora Ville HOA	SHFC	2,000.00			2,575.00	2007	3,300.90	500.00
180	Tatalon	4	3	Galintan St.	QC Assmt	18,000.00	2013	18,000.00				1,500.00
181	Tatalon	4	3	Kitanlad St.	QC Assmt	32,000.00	2013	32,000.00				2,000.00
182	Tatalon	4	3	Kitanlad St.	QC Assmt	10,096.15	2013	10,096.15				2,000.00
183	Ugong Norte	3	13	Fuentes St.	QC Assmt	28,087.94	2013	28,087.94				2,500.00
184	Ugong Norte	3	13	Greenmeadows Subd.	QC Assmt	32,500.00	2013	32,500.00				3,000.00
185	Ugong Norte	3	13	Madrigal Circle	QC Assmt	49,261.08	2013	49,261.08				2,500.00
186	Ugong Norte	3	13	Navarro St.	QC Assmt	39,538.71	2012	40,914.66				2,500.00
187	Ugong Norte	3	13	Swallow Drive	QC Assmt	30,000.00	2013	30,000.00				3,000.00
188	Valencia	4	14	1st St.	QC Assmt	21,895.86	2012	22,657.84				2,000.00
189	Veterans Village	1	11	Bakawan St.	QC Assmt	7,958.62	2013	7,958.62				1,500.00
190	Veterans Village	1	11	Bakawan St.	QC Assmt	11,876.48	2013	11,876.48				1,500.00
191	Veterans Village	1	11	Bakawan St.	QC Assmt	16,501.65	2013	16,501.65				1,500.00
192	Veterans Village	1	11	M. H. Del Pilar St.	QC Assmt	6,137.72	2013	6,137.72				1,500.00
193	West Kamias	3	9	K-6th	QC Assmt	12,000.00	2013	12,000.00				1,500.00
194	West Triangle	1	16	Free Press St.	QC Assmt	20,000.00	2013	20,000.00				2,500.00
195	West Triangle	1	16	Lidayway St.	QC Assmt	20,689.66	2013	20,689.66				2,500.00
196	West Triangle	1	16	Times St.	QC Assmt	20,000.00	2010	22,384.61				2,500.00
197	West Triangle	1	16	West Triangle Homes I	QC Assmt	18,000.00	2013	18,000.00				2,500.00
198	White Plains	3	13	Katipunan Ave.	QC Assmt	12,469.14	2013	12,469.14				1,500.00
199	White Plains	3	13	Pinesville cor. Roseville	QC Assmt	33,232.63	2013	33,232.63				1,500.00
200	White Plains	3	13	Red Arrow	QC Assmt	7,791.67	2013	7,791.67				1,500.00

201	White Plains	3	13	Whitefields St.	QC Assmt	16,786.57	2013	16,786.57				1,500.00
202	White Plains	3	13	Whitefields St.	QC Assmt	19,920.32	2013	19,920.32				1,500.00

