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HOUSE OF REPRESENTATIVES

H. No. 34310

INTRODUCED BY CONGRESSMEN ISIDRO, DUREZA, TAGARAO, OCAMPO, TINGA, FUGOSO, AMANTE, MASTURA, CONGRESSWOMEN PLAZA (C.), LABARIA, ACOSTA, CONGRESSMEN DEL MAR, JABAR, OZAMIZ, MIRAN, MARTINEZ, JR., HORCA, JR., ROMUALDO, CONGRESSWOMAN BAKUNAWA, CONGRESSMAN PLAZA (D.), CONGRESSWOMAN COSETENG, CONGRESSMEN ORTEGA, JOAQUIN, MERCADO (R.G.), ROÑO, JOSON, JR., RESPICIO, GILLEGO, AQUINO (H.Y.), CONGRESSWOMAN AQUINO-ORETA, CONGRESSMAN SISON, CONGRESSWOMAN LAUREL-TRINIDAD, CONGRESSMEN CUENCO, PONCE DE LEON, DE GUZMAN, JR., DE VENECIA, JR., VALDEZ, BAGATSING (A.), ABINES, APACIBLE, GUERRERO, CERILLES, TAPIA, PAYUMO, CONGRESSWOMAN STARKE, CONGRESSMEN NUÑEZ, GARIN, MENDIOLA, GARCIA, JR., TEVES (M.), DRAGON, PALACOL, YULO, LOCSIN, LOPEZ-VITO, TUPAS, LOPEZ (J.), CABOCHAN (G.), UNICO, DAYANGHIRANG, MONFORT, AQUINO (A.), LAGUDA, AGUILAR, CONGRESSWOMAN PUYAT-REYES, CONGRESSMEN MERCADO (R.M.), BANDON, JR., ESTRELLA, JR., ESTRELLA III, AQUINO (H.S.), CHIPECO, JR., VALENCIA, CONGRESSWOMAN VERANO-YAP, CONGRESSMEN MONTEJO, TIRADOR, MATHAY, JR., GUANZÓN, ZAMORA, TUZON, DIMAPORO (A.D.), GARCIA (E.), MASKARIÑO, SANTOS (O.), ANDOLANA, WEBB, TEVES (R.M.); PANGANIBAN, PEREZ, BAUTISTA, SR., ANGELES (D.), ROMERO, SERAPIO, CONGRESSWOMEN LOBREGAT, GORDON, CONGRESSMEN ESTRELLA (E.), JAVIER (E.), BAGATSING, JR., ONG, JR., CAINGLET, YAP (R.), ANIAG, JR., CONGRESSWOMAN REYES, CONGRESSMEN GARCIA (P.), RODRIGUEZ, RAMIREZ, VELOSO, LOPEZ (A.), SINGSON (E.), CHAVES, RIVERA, JR., DIANALAN, ENVERGA, SARMIENTO, SR., ESCUDERO III, TIROL, NOGRALES, CONGRESSWOMAN AGANA, CONGRESSMEN CABOCHAN (J.), ANGELES (R.), TY,

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AN ACT PROVIDING FOR A COMPREHENSIVE AND SUSTAINABLE PROGRAM ON URBAN DEVELOPMENT AND HOUSING, PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 CHAPTER I

2 GENERAL PROVISIONS

3 SECTION 1. *Title.* - This Act shall be known as the "Urban
4 Development and Housing Act of 1991."

1 SEC. 2. *Declaration of State Policy and Program Objec-*
 2 *tives.* - It shall be the policy of the State to undertake, in coopera-
 3 tion with the private sector, a comprehensive and continuing Urban
 4 Development and Housing Program which shall:

5 (a) Seek to uplift the conditions of the underprivileged and
 6 homeless citizens in the urban areas and resettlement areas by
 7 making available at affordable cost decent housing, basic services,
 8 and employment opportunities;

9 (b) Provide for the rational use and development of urban
 10 land in order to bring about the following:

11 (1) An equitable utilization of residential lands in urban
 12 areas on the basis of the needs and requirements of the underprivi-
 13 leged and homeless citizens in the urban areas and not on the basis
 14 of market forces;

15 (2) Optimization of the use and productivity of land and
 16 other urban resources;

17 (3) More efficient urban areas conducive to commercial and
 18 industrial activities which can generate more economic opportuni-
 19 ties for the residents; and

20 (4) Reduction in urban dysfunctions, particularly those that
 21 adversely affect public health, safety, ecology and the access of the

1 underprivileged and homeless citizens in the urban areas to land
2 and housing;

3 (c) Set workable policies to regulate and direct urban
4 growth and expansion towards a dispersed urban net and a more
5 balanced urban-rural interdependence;

6 (d) Provide for an equitable land tenure system that shall
7 guarantee security of tenure to Program beneficiaries but shall re-
8 spect the rights of small property owners and ensure the payment of
9 just compensation to seller-owners;

10 (e) Encourage more meaningful and effective people's par-
11 ticipation in the urban development process; and

12 (f) Improve the capability of local government units in
13 undertaking urban development and housing programs and projects.

14 SEC. 3. *Definition of Terms.* - For purposes of this Act, the
15 following terms and phrases shall be understood to mean as follows:

16 (a) "Affordable cost" refers to the most reasonable price of
17 land and shelter based on the needs and financial capability of
18 Program beneficiaries and appropriate financing schemes;

19 (b) "Ancestral lands" refers to lands of the public domain in
20 the actual, open, adverse, exclusive and uninterrupted possession
21 and occupation by an indigenous cultural community for a period of

1 at least thirty (30) years prior to the effectivity of this Act;

2 (c) "Areas for priority development" refers to those parcels
3 of urban lands previously declared as urban land reform zones, as
4 defined in Proclamation Nos. 1967 and 2284, Presidential Decree
5 No. 2016, and other pertinent issuances;

6 (d) "BLISS" refers to the housing projects which were initi-
7 ated by the National Housing Authority and the BLISS Develop-
8 ment Corporation in various cities and municipalities, otherwise
9 known as the Bagong Lipunan Improvement of Sites and Services;

10 (e) "Community Mortgage Program" refers to the program
11 of the National Home Mortgage Finance Corporation whereby an
12 undivided tract of land may be acquired by an accredited communi-
13 ty association of the beneficiaries upon the consent of the landown-
14 ers to sell;

15 (f) "Consultation" refers to the constitutionally mandated
16 process whereby the public, on their own or through the people's
17 organizations, are provided an opportunity to participate and be
18 involved in decision-making initiated by the Government for the
19 protection and promotion of their legitimate collective interests,
20 which process shall include an appropriate documentation and
21 feedback mechanism;

1 (g) "Continuing Urban Development and Housing Program"
2 or "Program" refers to the comprehensive and sustainable program
3 of the Government concerned with correcting urban dysfunctions,
4 determining potential areas for change, as well as planning, regula-
5 tion and management of urban growth and expansion, including the
6 provision of socialized housing, to meet the needs of the present
7 and future generations;

8 (h) "Highly urbanized areas" refers to all cities and munici-
9 palities with a minimum population of not less than two hundred
10 fifty thousand (250,000) inhabitants, as certified by the National
11 Statistics Office, and with the latest annual income of at least Sixty
12 million pesos (P60,000,000.00), as certified by the Secretary of
13 Finance;

14 (i) "Idle lands" refers to lands other than agricultural, with
15 an area of one thousand square meters (1,000 sq. m.) or more, for
16 which no improvement has been made by the owner, as certified by
17 the city or provincial assessor;

18 (j) "Improvements" refers to all types of buildings and
19 residential units, walls, fences, structures or constructions of all
20 kinds of a fixed character or adhered to the soil but shall not
21 include trees, plants and growing fruits, and other fixtures that

1 are mere superimpositions on the land, and the value of improve-
2 ments shall not be less than fifty percent (50%) of the assessed
3 value of the property;

4 (k) "Land assembly and consolidation" refers to the acquisi-
5 tion of lots of varying ownership through negotiated purchase or
6 expropriation for the purpose of planned and rational development
7 and socialized housing programs without individual property
8 boundary restrictions;

9 (l) "Land banking" refers to the acquisition of land at exist-
10 ing use value in advance of actual need to promote planned devel-
11 opment and socialized housing programs;

12 (m) "Land swapping or exchange" refers to the acquisition
13 by bartering lands of equal value for the purpose of planned and
14 rational development and provision of socialized housing; land
15 values are determined based on land classification, market value
16 and assessed value taken from existing tax declarations;

17 (n) "Land use plan" refers to the rational approach of allo-
18 cating available land resources as equitably as possible between
19 competing user groups and for different functions consistent with
20 the development plan of the area and this Program;

21 (o) "Lease" refers to an agreement or contract whereby one

1 of the parties binds himself to give to another the enjoyment or use
2 of a thing for a price certain and for a definite or indefinite period;

3 (p) "Local government units" or "LGUs" refers to the politi-
4 cal subdivisions of the National Government such as provinces,
5 cities, municipalities and barangays, including special metropolitan
6 subdivisions and, where applicable, the autonomous regions;

7 (q) "Private sector" refers to businessmen, landowners,
8 developers, real estate practitioners, religious and civic groups and
9 nongovernment organizations;

10 (r) "Professional squatters and squatting syndicates" refers
11 to individuals or groups who are disqualified to avail of the benefits
12 of the Program, who unlawfully occupy lands which do not belong to
13 them without the express consent of the landowner and who have
14 sufficient income for legitimate housing, or have alternative houses
15 within the city or municipality, or are engaged in the illegitimate
16 business of squatter housing. The term shall also apply to persons
17 who have previously been awarded homelots or housing units by the
18 Government, but who have sold, leased or transferred the same and
19 returned to the city to squat again, and non-bona fide occupants and
20 intruders of lands reserved for socialized housing. The term shall
21 not apply to individuals or groups who simply rent land for housing

1 from professional squatters or squatting syndicates;

2 (s) "Security of tenure" refers to the degree of protection
3 afforded to qualified Program beneficiaries against infringement
4 or unjust, unreasonable and arbitrary eviction or disposition, by
5 virtue of the right of ownership, lease agreement, usufruct and other
6 contractual arrangements;

7 (t) "Slum Improvement and Resettlement Program" or
8 "SIR" refers to the program of the National Housing Authority of
9 upgrading and improving blighted squatter areas outside of Metro
10 Manila pursuant to Letter of Instruction Nos. 555 and 557, as
11 amended by Letter of Instruction No. 686, and other pertinent
12 issuances;

13 (u) "Small property owners" refers to those who own resi-
14 dential lands not exceeding three hundred square meters (300 sq.
15 m.) in highly urbanized areas and eight hundred square meters
16 (800 sq. m.) in other urban areas;

17 (v) "Socialized housing" refers to housing projects under-
18 taken by the Government or the private sector for the underprivi-
19 leged and homeless citizens where the cost is either partially or
20 totally subsidized;

21 (w) "Tenant" refers to the lawful occupant of land or im-

1 improvements thereon pursuant to a lease agreement or similar con-
 2 tractual arrangements but does not include those whose presence
 3 on the land or its improvement is a result of force, intimidation,
 4 threat, stealth, deceit or strategy;

5 (x) "Underprivileged and homeless citizens" refers to those
 6 individuals or families residing in urban and urbanizable areas
 7 whose combined household incomes are below the poverty line so
 8 defined by the National Economic and Development Authority and
 9 who do not own housing facilities, or those who live in makeshift
 10 dwelling units and do not enjoy security of tenure;

11 (y) "Unified Home Lending Program" or "ULP" refers to the
 12 homebuyer's financing component of the National Shelter Program
 13 of the Government launched on July 1, 1987 to provide for the
 14 housing loan requirements of the members of the Social Security
 15 System, Government Service Insurance System and of the Home
 16 Development Mutual Fund (Pag-IBIG Fund) for the construction
 17 or purchase/acquisition of a residential unit or lot only;

18 (z) "Urban areas" refers to all cities and municipalities
 19 having a population density of at least one thousand (1,000) persons
 20 per square kilometer and where the occupation of the inhabitants is
 21 predominantly nonagricultural;

1 (aa) "Urban dysfunctions" refers to negative urban growth,
 2 situation, or development which is usually characterized by poor
 3 physical and social conditions, like the proliferation of slums and
 4 squatter settlements, the rising rates of unemployment and under-
 5 employment, and a growing deficiency in the provision of basic
 6 urban services;

7 (bb) "Urbanizable lands" refers to sites and land areas which,
 8 considering present characteristics and prevailing conditions, display
 9 marked and high probability of becoming urban areas within the
 10 period of five (5) years;

11 (cc) "Usufruct" refers to the right to enjoy the property of
 12 another with the obligation of preserving its form and substance,
 13 unless the title constituting it or the law otherwise provides;

14 (dd) "Zonal Improvement Program" or "ZIP" refers to the
 15 program of the National Housing Authority of upgrading and
 16 improving blighted squatter areas within the cities and municipali-
 17 ties of Metro Manila pursuant to Proclamation No. 1810, Letter of
 18 Instruction Nos. 555 and 557, as amended by Letter of Instruction
 19 No. 686, and other pertinent issuances; and

20 (ee) "Zoning" refers to the physical classification of land
 21 within a given tract, with the mixture of uses carefully controlled to

1 minimize conflict, as determined and planned by the local govern-
2 ment units and as approved by the Housing and Land Use
3 Regulatory Board.

4 SEC. 4. *Coverage of the Program.* - The Program shall
5 include all urban and urbanizable areas in the country as defined
6 herein.

7 SEC. 5. *Exemptions.* - The following lands shall be
8 exempted from the coverage of this Act:

9 (a) Lands included in the coverage of Republic Act No.
10 6657, otherwise known as the Comprehensive Agrarian Reform
11 Law, unless converted into nonagricultural use as per approved
12 town plans;

13 (b) Forest lands, including watersheds and national parks;

14 (c) Ancestral lands;

15 (d) Lands actually used as sites for schools, hospitals,
16 churches, cemeteries or memorial parks and those used by charita-
17 ble institutions;

18 (e) Lands owned and actually used by the Government for
19 housing its offices, facilities and installations; and

20 (f) Lands officially reserved for military and naval use.

21 For purposes of this section, however, when the use for which

1 the abovementioned lands are intended shall have ceased to exist,
2 the National Government may opt to include them within the
3 coverage of this Act.

4 CHAPTER II

5 LAND USE AND OWNERSHIP

6 SEC. 6. *Identification of Urban Lands.* - Subject to nation-
7 al planning standards, the local government units, in coordination
8 with the Housing and Land Use Regulatory Board and the Na-
9 tional Mapping Resource Information Authority, shall identify lands
10 that are necessary for the following purposes:

11 (a) For the immediate and future housing needs of the
12 underprivileged and homeless citizens in the urban areas, taking
13 into consideration the degree of availability of basic services and
14 facilities, their accessibility and proximity to job sites and other
15 economic opportunities, and the actual number of registered bene-
16 ficiaries;

17 (b) For other public use such as those needed for roads and
18 public facilities, parks and open spaces, and those necessary for
19 housing the offices of government agencies; and

20 (c) For disposal of government-owned lands to raise funds
21 solely for urgent services relating to the Program.

1 In the identification of resettlement areas and relocation sites
 2 for the underprivileged and homeless citizens, preference shall be
 3 given to areas where economic and employment opportunities are
 4 reasonably close to the site.

5 **SEC. 7. Registration of Lands.** - All lands within the urban
 6 and urbanizable areas shall be registered in the following manner:

7 (a) *Residential lands* - As soon as the sites for housing and
 8 other purposes have been identified, as provided for in Section 6 of
 9 this Act, the local government units, in coordination with the
 10 Housing and Land Use Regulatory Board and with the aid of
 11 appropriate government agencies, shall document the various inter-
 12 ests existing on the land and the improvements thereon, including
 13 the contractual agreements affecting the same, the parties to such
 14 agreements, existing mortgages or other encumbrances thereon,
 15 current market value, and such other data or information as may be
 16 useful in rationalizing future contractual agreements among the
 17 parties, providing just compensation, and in establishing a sound
 18 basis for guaranteeing the security of tenure of present and future
 19 occupants of these lands;

20 (b) *Other lands* - All other lands within the urban and
 21 urbanizable areas that do not fall under Section 7(a) of this Act

1 shall also be registered with the aforementioned agencies, annotat-
 2 ing therein all existing interests and encumbrances on the land, the
 3 type of land use and the degree of land utilization, the current
 4 market value and other data or information useful in drawing up a
 5 rational zoning plan for the efficient management of urban re-
 6 sources;

7 (c) *Government-owned lands* - All concerned government
 8 line departments or agencies, government financing institutions and
 9 government-owned and controlled corporations, including the mili-
 10 tary and all provincial, city, and municipal governments, shall
 11 register all residential lands or lands which may be converted,
 12 segregated, or zoned for residential use which they own or have
 13 foreclosed. The original registration shall be made with the respec-
 14 tive local government units, copy furnished for planning purposes
 15 the Housing and Land Use Regulatory Board, for subdividing and
 16 titling purposes the Land Management Bureau, and for monitoring
 17 purposes the Presidential Commission for the Urban Poor; and

18 (d) *Unregistered, abandoned and idle lands* - The local
 19 government units, through their respective assessors and treasurers,
 20 shall update every three (3) years their property tax maps and
 21 conduct an inventory of unregistered, abandoned and idle lands.

1 Unregistered, abandoned and idle lands shall be entered into a
 2 separate registry which shall be submitted to the Department of
 3 Finance and the Housing and Urban Development Coordinating
 4 Council for the implementation of Section 15 of this Act.

5 SEC. 8. *Priorities in the Acquisition of Land.* - The acqui-
 6 sition of land for housing and other public purposes shall be imple-
 7 mented in the following order:

8 (a) Lands owned, acquired or in the possession of the
 9 Government or any of its institutions, corporations or agencies;

10 (b) Alienable lands of the public domain;

11 (c) Unregistered, abandoned and idle lands;

12 (d) Lands within the declared Areas for Priority Develop-
 13 ment, Zonal Improvement Program sites, and Slum Improvement
 14 and Resettlement Program sites;

15 (e) BLISS sites; and

16 (f) Privately owned lands.

17 : *Provided, however,* That where on-site development is found more
 18 practicable and advantageous to the beneficiaries, the priorities
 19 mentioned in this section shall not apply, and resettlement shall be
 20 discouraged: *Provided, further,* That where government lands are
 21 involved in cases of on-site development, the highest budgetary

1 priority shall be given by the implementing local government units.

2 SEC. 9. *Modes of Acquisition.* - Land acquisition ar-
3 rangements under this Act shall include, among others, community
4 mortgage, land assembly and consolidation, land banking, land
5 swapping or exchange, donation to the Government, joint-venture
6 agreements with private parties, negotiated purchase, and expropri-
7 ation: *Provided, however,* That only when all other arrangements
8 have been exhausted shall the Government expropriate private
9 lands: *Provided, further,* That private landowners shall be duly
10 compensated: *Provided, finally,* That parcels of land owned by
11 small property owners shall not be subject to expropriation.

12 For the purpose of socialized housing, government-owned
13 and foreclosed properties shall be acquired by the local government
14 units, or by the National Housing Authority primarily through
15 negotiated purchase: *Provided,* That qualified beneficiaries who
16 are actual occupants of the land shall be given the right of first
17 refusal, and that, in the case of government land acquisition, said
18 land shall be awarded to the actual occupants by way of direct
19 negotiated purchase only.

20 SEC. 10. *Disposition of Lands for Socialized Housing.* - The

1 local government units, in coordination with the National Housing
 2 Authority, shall make available various alternative schemes for the
 3 disposition of lands to the beneficiaries of the Program. These
 4 schemes shall not be limited to those involving transfer of owner-
 5 ship in fee simple but shall include lease, lease with option to
 6 purchase, usufruct or such other variations as the LGU or the
 7 National Housing Authority may deem most expedient in carrying
 8 out the purposes of this Act.

9 Lands granted by way of lease or usufruct shall only be trans-
 10 ferred or disposed of by way of hereditary succession to relatives
 11 within the first degree of consanguinity. In the event that a grantee
 12 relinquishes, or abandons his right to, or is no longer the actual
 13 occupant of the housing unit, said property shall revert to the local
 14 government unit concerned and shall be awarded to other qualified
 15 beneficiaries, in consultation with the community association in the
 16 area.

17 SEC. 11. *Land Valuation for Socialized Housing.* - Equita-
 18 ble land valuation guidelines for socialized housing shall be set by
 19 the Department of Finance on the basis of the market value re-
 20 flected in the zonal valuation, or in its absence, on the latest real
 21 property tax declaration.

1 For sites already occupied by qualified Program benefi-
 2 cians, the Department of Finance shall factor into the valuation the
 3 blighted status of the land as certified by the local government unit
 4 or the National Housing Authority, the length of occupancy, the
 5 improvements introduced by the residents, and the imputed current
 6 ejection costs or disturbance costs that may be borne by the
 7 landowner, in favor of the occupants.

8 SEC. 12. *Social Housing Tax.* - Consistent with the consti-
 9 tutional dictum that the ownership and enjoyment of property bear
 10 a social function and to raise funds for the Program, there shall be
 11 imposed a social housing tax on residential, commercial and indus-
 12 trial lands and their improvements in highly urbanized areas as
 13 follows: One percent (1%) of the assessed value of the land and its
 14 improvements in excess of Two hundred thousand pesos
 15 (P200,000.00). This tax is in addition to the regular real estate
 16 tax.

17 The collection and administration of the tax shall be the main
 18 responsibility of the local government units concerned and the
 19 proceeds of which shall be used exclusively for the Program.

20 SEC. 13. *Action Against Professional Squatters and Squatting*
 21 *Syndicates.* - The local government units, in cooperation with the

1 Philippine National Police, the Presidential Commission for the
 2 Urban Poor (PCUP), and the PCUP-accredited urban poor organi-
 3 zation in the area, shall adopt measures to identify and effectively
 4 curtail the nefarious and illegal activities of professional squatters
 5 and squatting syndicates. The Department of Justice shall issue the
 6 guidelines to arrest and prosecute said professional squatters and
 7 syndicates. Any person or group identified as such shall be sum-
 8 marily removed or ejected and their dwellings or structures demol-
 9 ished. A public official who tolerates or abets the commission of
 10 the abovementioned acts shall be dealt with in accordance with
 11 existing laws.

12 SEC. 14. *Eviction, Demolition and Resettlement.* - Eviction
 13 or demolition as a practice shall be discouraged. Eviction or demoli-
 14 tion by the local government unit, independently or in coordination
 15 with the concerned agencies, shall be implemented only under the
 16 following situations:

17 (a) When persons or entities occupy danger areas such as
 18 *esteros*, railroad tracks, garbage dumps, riverbanks, shorelines,
 19 waterways and public places such as sidewalks, roads, parks, play-
 20 grounds, and other public places;

21 (b) When government infrastructure projects with available

1 funding are about to be implemented after adequate/proper consul-
2 tations with those affected and no alternative sites/routes are avail-
3 able; or

4 (c) When there is a court order for eviction and demolition.

5 The following procedure is mandatory for demolitions:

6 (a) Notice is served at least thirty (30) days before the
7 demolition is undertaken;

8 (b) Consultations with the affected families to be relocated
9 and the affected families or communities in the relocation sites are
10 conducted;

11 (c) The responsible local government units and concerned
12 government officials or their representatives shall be present
13 throughout the duration of the demolition;

14 (d) All persons taking part in the demolition shall be proper-
15 ly identified;

16 (e) Unless otherwise agreed upon by the affected families,
17 demolitions shall be conducted only on Mondays to Fridays, and
18 only during good weather;

19 (f) No heavy equipment will be used for demolition except
20 for structures that are permanent and of concrete;

21 (g) The Philippine National Police shall be in proper uni-

1 form and shall occupy the first line of law enforcement and observe
2 proper disturbance control procedures; and

3 (h) Adequate relocation, whether temporary or permanent,
4 is provided.

5 Upon the request of the community association of the benefi-
6 ciaries, when deemed necessary for the development of a socialized
7 housing site, the local government unit on its own or in coordination
8 with the National Housing Authority shall demolish existing struc-
9 tures that obstruct the implementation of the development plan of
10 the community, and their occupants or dwellers relocated or reset-
11 tled accordingly.

12 Within two (2) years from the effectivity of this Act, the local
13 government units, in coordination with the National Housing
14 Authority, shall implement the relocation and resettlement of
15 persons living in danger areas such as *esteros*, railroad tracks, gar-
16 bage dumps, riverbanks, shorelines, waterways, and in public places
17 such as sidewalks, roads, parks, playgrounds, and other public
18 places.

19 Thereafter, in no case shall any local government unit allow
20 any kind of structure to be erected in such places. Violation of or
21 failure to implement this provision will subject the head of the local

1 government unit to administrative sanctions provided under existing
2 laws.

3 The local government unit, in coordination with the National
4 Housing Authority, shall provide relocation or resettlement sites
5 with basic services and facilities and access to employment and live-
6 lihood opportunities sufficient to meet the basic needs of the reset-
7 tled families. The LGU, in coordination with the National Housing
8 Authority, the Presidential Commission for the Urban Poor and the
9 Commission on Human Rights, in consultation with the private
10 sector, the nongovernment organizations, and the urban poor organ-
11 izations, shall set the guidelines and mechanisms to protect the
12 rights and uphold the dignity of persons affected by valid eviction
13 notices.

14 SEC. 15. *Expropriation of Idle Lands.* - All idle lands in
15 urban and urbanizable areas, as defined and identified in accord-
16 ance with this Act, shall be expropriated and shall form part of the
17 public domain. These lands shall be disposed of or utilized by the
18 Government for such purposes that conform with their land use
19 plans. Expropriation proceedings shall be instituted if, after the
20 lapse of one (1) year following receipt of notice of acquisition, the
21 owner fails to introduce improvements as defined in Section 3

1 hereof. Exempted from this provision, however, are private resi-
 2 dential lands with an area of not exceeding three hundred square
 3 meters (300 sq. m.) in highly urbanized areas and eight hundred
 4 square meters (800 sq. m.) in other urban areas whose owners do
 5 not own other residential lands and those the ownership of which
 6 is the subject of a pending litigation.

7 CHAPTER III

8 HOUSING

9 SEC. 16. *Primary Strategy.* - Socialized housing through
 10 the sites and services development and guided self-help approach
 11 shall be the primary strategy in providing shelter for the urban poor.
 12 However, if the tenurial arrangement in this scheme is in the nature
 13 of leasehold or usufruct, the same shall be transitory and the bene-
 14 ficiaries must be encouraged to become independent from the
 15 Program within a given period of time.

16 SEC. 17. *Eligibility Criteria for Socialized Housing Program*
 17 *Beneficiaries.* - To qualify for the socialized housing program, a
 18 beneficiary:

- 19 (a) Must be a Filipino citizen;
- 20 (b) Must be an underprivileged and homeless citizen, as
- 21 defined in Section 3 of this Act;

1 (c) Must not own any real property whether in the urban or
2 rural areas;

3 (d) Must have established permanent residency for at least
4 five (5) years prior to the date of registration of beneficiaries; and

5 (e) Must not be a professional squatter or a member of a
6 squatting syndicate.

7 Preference shall be given to relocatees affected by court
8 orders and valid eviction notices who qualify as Program benefi-
9 cians in the order of registration dates.

10 SEC. 18. *Registration of Socialized Housing Beneficiaries.* -
11 The Presidential Commission for the Urban Poor shall design a
12 system for the registration of qualified Program beneficiaries. All
13 identified beneficiaries shall be required to register with the
14 Urban Poor Affairs Offices in their respective localities within one
15 (1) year following the effectivity of this Act or forfeit the benefits
16 due them under the Program. The Urban Poor Affairs Offices and
17 the Presidential Commission for the Urban Poor shall, as often as
18 may be necessary, update the list of registered beneficiaries by
19 Program areas.

20 SEC. 19. *Incentives for Private Sector Participation in Social-*
21 *ized Housing.* - The local government units, the National Home

1 Mortgage Finance Corporation, the Home Insurance Guarantee
 2 Corporation, the Department of Finance, the National Housing
 3 Authority, and other concerned agencies shall assist and facilitate
 4 the provision of housing through the initiative of the private sector,
 5 nongovernment organizations, housing cooperatives, and communi-
 6 ty-based organizations. To encourage and ensure greater private-
 7 sector participation, especially in the socialized housing program
 8 provided for under this Act, the following incentives shall be ex-
 9 tended:

10 (a) Reduction of regulations for accreditation and simplifi-
 11 cation of qualification requirements for participating private de-
 12 velopers, especially those involved in low-cost socialized housing;

13 (b) Creation of one-stop offices in the different regions of
 14 the country for the processing, approval and issuance of clearances,
 15 permits and licenses: *Provided*, That clearances, permits and li-
 16 censes shall be issued within ninety (90) days from the date of
 17 submission of all requirements;

18 (c) Simplification of procedures for financing;

19 (d) Exemption from the payment of donor's tax for lands
 20 certified by the LGU to have been donated for socialized housing
 21 purposes: *Provided*, That, upon application for exemption, a lien on

1 the title of the land shall be annotated by the register of deeds:
 2 *Provided, further,* That the socialized housing development plan has
 3 already been approved by all government agencies concerned.

4 Appropriate implementing guidelines shall be prepared by
 5 the Department of Finance for the proper implementation of the
 6 tax exemption mentioned in this section within one (1) year after
 7 the approval of this Act; and

8 (e) Such other incentives as may be allowed by existing laws.

9 SEC. 20. *Housing Quota.* - Upon the passage of this Act,
 10 the Housing and Land Use Regulatory Board shall require develop-
 11 ers of proposed subdivision projects to develop an area for social-
 12 ized housing equivalent to at least twenty percent (20%) of the total
 13 subdivision area, to be developed within the subdivision or in another
 14 area within the same city or municipality or in the most adjacent
 15 city or municipality in accordance with the standards set by the
 16 Housing and Land Use Regulatory Board and other existing laws.

17 Said socialized housing projects shall be disposed of to quali-
 18 fied Program beneficiaries under the various home financing
 19 schemes of the Government. The developers of such socialized
 20 housing projects shall be entitled to all the incentives and benefits
 21 provided for under this Act.

1 SEC. 21. *Basic Services.* - Socialized housing/resettlement
 2 areas shall be provided by the local government unit or the National
 3 Housing Authority in cooperation with the private developers and
 4 concerned agencies with the following basic services and facilities:

5 (a) Potable water;

6 (b) Power and electricity and an adequate power distribu-
 7 tion system;

8 (c) Sewerage facilities and an efficient and adequate solid
 9 waste disposal system; and

10 (d) Access to primary roads and transportation facilities.

11 The provision of other basic services and facilities such as
 12 health, education, communications, security, recreation, relief and
 13 welfare shall be planned and shall be given priority for implementa-
 14 tion by the local government unit and the concerned agencies in
 15 cooperation with the private sector and the beneficiaries them-
 16 selves.

17 The local government unit, in coordination with the con-
 18 cerned national agencies, shall ensure that these basic services are
 19 provided at the most cost-efficient rates. The business sector, the
 20 nongovernment organizations and people's organizations shall be
 21 encouraged to support and actively participate in the planning,

1 programming and delivery of appropriate and adequate basic serv-
 2 ices and facilities. The LGUs, in coordination with the Housing and
 3 Urban Development Coordinating Council, shall set a mechanism
 4 to coordinate and synchronize operationally the thrusts, objectives
 5 and activities of other government agencies concerned with provid-
 6 ing basic services to housing projects.

7 CHAPTER IV

8 RELATED STRATEGIES

9 SEC. 22. *Promotion of Indigenous Housing Materials and*
 10 *Technologies.* - The local government units, in coordination with
 11 the concerned government agencies, shall promote the production
 12 and use of indigenous, alternative, and low-cost construction mate-
 13 rials and technologies for housing.

14 SEC. 23. *Transport System.* - The local government units, in
 15 coordination with the Departments of Transportation and Commu-
 16 nications, Budget and Management, Trade and Industry, Finance,
 17 Public Works and Highways, the Home Insurance Guarantee
 18 Corporation, and other concerned government agencies, shall
 19 devise a set of mechanisms including incentives to the private sector
 20 so that a viable transport system shall evolve and develop in the
 21 urban areas. It shall also formulate standards designed to attain

1 these objectives:

- 2 (a) Smooth flow of traffic;
- 3 (b) Safety and convenience of travel;
- 4 (c) Minimum use of land space;
- 5 (d) Minimum damage to the physical environment; and
- 6 (e) Adequate and efficient transport service to people and
- 7 goods at minimum cost.

8 SEC. 24. *Ecological Balance.* - The local government
 9 units shall coordinate with the Department of Environment and
 10 Natural Resources in taking measures that will plan and regulate
 11 urban activities for the conservation and protection of vital, unique
 12 and sensitive ecosystems, scenic landscapes, cultural sites and other
 13 similar resource areas.

14 To make the implementation of this function more effective,
 15 the active participation of the citizenry in environmental rehabilita-
 16 tion and in decision-making processes shall be promoted and en-
 17 couraged.

18 The local government units shall recommend to the Envi-
 19 ronmental and Management Bureau the immediate closure of
 20 factories, mines and transport companies which are found to be
 21 causing massive pollution.

1 SEC. 25. *Population Movements.* - The local government
 2 units shall set up an effective mechanism, together with the appro-
 3 priate agencies like the Population Commission, the National
 4 Economic and Development Authority and the National Statistics
 5 Office, to monitor trends in the movements of population from
 6 rural to urban, urban to urban, and urban to rural areas. They shall
 7 identify measures by which such movements can be influenced to
 8 achieve balance between urban capabilities and population, to direct
 9 appropriate segments of the population into areas where they can
 10 have access to opportunities to improve their lives and to contrib-
 11 ute to national growth and recommend proposed legislation to
 12 Congress, if necessary.

13 The Population Commission, the National Economic and
 14 Development Authority, and the National Statistics Office shall
 15 likewise provide advanced planning information to national and
 16 local government planners on population projections and the conse-
 17 quent level of services needed in particular urban and urbanizable
 18 areas. This service will include early-warning systems on expected
 19 dysfunctions in a particular urban area due to population increases,
 20 decreases, or age structure changes.

21 SEC. 26. *Urban-Rural Interdependence.* - To minimize

1 rural to urban migration and pursue urban decentralization, the
 2 local government units shall coordinate with the National Econom-
 3 ic and Development Authority and other government agencies in
 4 the formulation of national development programs that will stimu-
 5 late economic growth and promote socioeconomic development in
 6 the countryside.

7 SEC. 27. *Participation of Beneficiaries.* The local govern-
 8 ment units, in coordination with the Presidential Commission for
 9 the Urban Poor and concerned national agencies, shall formulate
 10 plans and policies designed to encourage Program beneficiaries to
 11 participate actively in the planning and decision-making and in the
 12 implementation and evaluation processes. They shall also be
 13 encouraged to organize themselves and undertake self-help cooper-
 14 ative housing and other livelihood activities. They shall help the
 15 Government in preventing the incursions of ineligible and profes-
 16 sional squatters in their communities. Towards this end, the Presi-
 17 dential Commission for the Urban Poor shall formulate appropriate
 18 policies and programs for:

19 (a) The preparation of a participatory urban community/
 20 barangay development investment plan;

21 (b) The creation or revitalization of existing barangay/

1 municipal/city development councils, in coordination with the
 2 Department of Interior and Local Government and the respective
 3 local government units;

4 (c) The creation of appropriate advisory and consultative
 5 councils, with the participation of the private sector and nongov-
 6 ernment organizations and the accredited and organized benefici-
 7 aries, to effect a synergy among the concerned government agencies
 8 and private entities in the delivery of basic services at the city,
 9 barangay, and community levels.

10 The participation of the beneficiaries in the decision-making
 11 process including all phases of implementation from planning to
 12 monitoring and evaluation shall be mandatory: *Provided*, That the
 13 affected beneficiaries are organized or the different urban poor
 14 organizations in the community affected have formed themselves
 15 into an alliance and have duly designated their representatives and
 16 endorsed their names to the implementing agency.

17 In the event that the participation of their representatives is
 18 constrained by technical limitations, the organizations shall be
 19 allowed to designate any person they deem competent to provide
 20 technical assistance to the organizations' official representatives.
 21 The Presidential Commission for the Urban Poor and the cooperat-

1 ing nongovernment organization shall, whenever necessary, provide
2 assistance.

3 In instances when the affected beneficiaries have failed to
4 organize themselves or form an alliance within a reasonable period
5 prior to the implementation of the program/project affecting them,
6 consultation between the implementing agency and the affected
7 beneficiaries shall be conducted with the assistance of the Presiden-
8 tial Commission for the Urban Poor and the concerned nongov-
9 ernment organization, in all aspects involving land acquisition, land
10 development, house construction or improvement, relocation and
11 resettlement, cost determination and financing.

12 CHAPTER V

13 PROGRAM IMPLEMENTATION

14 SEC. 28. *Basic Policy.* - The Urban Development and
15 Housing Program shall be given priority among the social and
16 developmental programs of the National Government and of the
17 concerned local government units. The Program shall constitute the
18 integrating framework in which all efforts related to the planning,
19 development, financing, management, implementation, and evalua-
20 tion of land use and housing shall be rationalized.

21 SEC. 29. *Implementing Agency.* - The local government
22 units shall be charged with the implementation of this Act in coor-

1 dination with the Housing and Urban Development Coordinating
2 Council, the national housing agencies, the Presidential Commis-
3 sion for the Urban Poor, and the other agencies concerned.

4 SEC. 30. *Composition and Role of the Housing and Urban*
5 *Development Coordinating Council.* - The composition of the
6 Housing and Urban Development Coordinating Council shall be
7 expanded to include the secretaries or heads or duly designated
8 representatives of all line departments, the National Economic and
9 Development Authority, the National Statistics Office, and the
10 Presidential Commission for the Urban Poor.

11 The Housing and Urban Development Coordinating Council,
12 in consultation with all concerned sectors, shall within one (1) year
13 after the approval of this Act prepare the national urban develop-
14 ment and housing framework and the implementing rules and
15 regulations. All new and proposed programs, projects and activities
16 of government agencies and private individuals and entities which
17 may substantially affect urban land use patterns, transportation and
18 public utilities, infrastructure, environment, and population rise and
19 movements in their localities shall be reviewed for their consistency
20 and fit in the urban development and housing framework in order to
21 help arrest further deterioration of the affected urban areas and

1 avert the preemption of future measures to rationalize them.

2 The Housing and Urban Development Coordinating Council,
3 in coordination with the concerned national and local agencies, shall
4 adopt an appropriate monitoring mechanism for the above particu-
5 lar purpose.

6 The Housing and Urban Development Coordinating Council,
7 through the key housing agencies, shall also provide local govern-
8 ment units with necessary support such as:

9 (a) Formulation of standards and guidelines as well as
10 providing technical support in the preparation of town and land use
11 plans;

12 (b) In coordination with the National Economic and Devel-
13 opment Authority and the National Statistics Office, provide data
14 and information for forward-planning by the local government units
15 in their areas, particularly on projections as to the population and
16 development trends in their localities and the corresponding in-
17 vestment programs needed to provide appropriate types and levels
18 of infrastructure, utilities, services and land use patterns; and

19 (c) Assistance in obtaining funds and other resources
20 needed in the urban development and housing programs in their
21 areas of responsibility.

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CHAPTER VI

FINANCING

SEC. 31. *Funding.* - Funds for housing and urban development shall come from the following sources:

(a) A minimum of P4.6 billion contributions of the Government Service Insurance System, the Social Security System and the Home Development Mutual Fund (HDMF or the Pag-IBIG) to the Unified Home Lending Program under the National Home Mortgage Finance Corporation, which may be increased on an annual basis by the said agencies including at least P1 billion committed by said agencies to finance the Community Mortgage Program;

(b) The amount of P2.5 billion over a five-year period coming from the yearly regular P500 million appropriation for the Abot-kaya Pabahay Program;

(c) Loans, grants, bequests and donations, whether from local or foreign sources;

(d) Flotation of bonds, subject to the guidelines to be set by the Monetary Board;

(e) Proceeds from the social housing tax under Section 12 of this Act and the idle land tax;

(f) Proceeds from the sale or disposition of alienable public lands in urban areas; and

1 (g) Domestic and foreign investment or financing through
 2 appropriate arrangements like the build-operate-and-transfer
 3 scheme.

4 The local government units shall step up the collection of
 5 taxes on idle lands, as provided for in the Real Property Tax Code,
 6 and the proceeds of the idle land tax shall be tapped to support the
 7 Program.

8 The Home Insurance Guarantee Corporation shall design an
 9 appropriate guarantee scheme to encourage financial institutions to
 10 go into direct lending for housing.

11 CHAPTER VII

12 TRANSITORY PROVISIONS

13 SEC. 32. *Moratorium on Eviction and Demolition.* -

14 Immediately after the approval of this Act and: (1) until the urban
 15 development and housing framework and the implementing rules
 16 and regulations of this Act shall have been adopted; (2) until the
 17 list of qualified beneficiaries per locality shall have been completed;
 18 and (3) until the needs and concerns of the qualified beneficiaries
 19 shall have been responded to in the land use plans of the locality
 20 covered by this Act, a moratorium on eviction and demolition shall
 21 be observed in harmony with Chapter I, Section 2, except for those
 22 structures which are constructed after the effectivity of this Act and

1 for cases mentioned in Chapter II, Section 14, of this Act.

2 CHAPTER VIII

3 MISCELLANEOUS PROVISIONS

4 SEC. 33. *Repealing Clause.* - All laws, decrees, issuances,
5 orders, and rules and regulations inconsistent with the provisions of
6 this Act are deemed repealed or modified accordingly.

7 SEC. 34. *Report to Congress.* - A detailed annual report
8 with respect to the implementation of this Act shall be submitted to
9 the Congress of the Republic of the Philippines by all agencies and
10 local government units involved.

11 CHAPTER IX

12 FINAL PROVISIONS

13 SEC. 35. *Rules, Regulations and Guidelines.* - The
14 Housing and Urban Development Coordinating Council, in coordi-
15 nation with the various government agencies concerned, shall issue
16 such further guidelines, rules and regulations to ensure the effective
17 implementation of this Act.

18 SEC. 36. *Penalty Clause.* - Any person or institution who
19 violates any provision of this Act shall be punished by a fine of not
20 less than Five thousand pesos (P5,000.00) but not more than One
21 hundred thousand pesos (P100,000.00) and/or imprisonment of

1 not less than three (3) months but not more than three (3) years as
 2 shall be determined by the court: *Provided*, That, if the offender is
 3 a corporation, partnership, association or other juridical entity, the
 4 penalty shall be imposed on the officer or officers of said corpora-
 5 tion, partnership, association or juridical entity who cause the viola-
 6 tion.

7 SEC. 37. *Separability Clause.* - If, for any reason, any provi-
 8 sion or portion of this Act shall be declared unconstitutional, the
 9 rest shall not be affected and shall remain in full force and effect.

10 SEC. 38. *Effectivity Clause.* - This Act shall take effect
 11 upon its approval.

Approved,

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