

Republic of the Philippines
Congress of the Philippines
Metro Manila
Sixteenth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-eighth day of July, two thousand fourteen.



[REPUBLIC ACT No. **10646**]

AN ACT CREATING THE QUEZON CITY DEVELOPMENT AUTHORITY (QCDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS ORGANIZATIONAL STRUCTURE AND CAPITALIZATION

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

SECTION 1. *Short Title.* – This Act shall be known as the “Charter of the Quezon City Development Authority”.

SEC. 2. *Declaration of Policy.* – The State recognizes the vital role of government-owned or -controlled corporations (GOCCs) in social and economic development. Thus, it is hereby declared the policy of the State to authorize the creation of GOCCs that may be used to implement certain programs of local government units (LGUs) without violating their autonomy. The GOCCs may also assist LGUs in providing their

constituents access to socialized housing, health, education and the other basic services. Towards this end, the State shall allow LGUs, with their available resources, to venture with GOCCs to accomplish the purpose of this Act.

SEC. 3. *Definition of Terms.* – As used in this Act:

(a) *Areas for priority development* refer to those areas declared as such under existing statutes, ordinances, and pertinent executive issuances.

(b) *Blighted urban communities* refer to the areas where the structures are dilapidated, obsolete and unsanitary, tending to depreciate the value of the land and prevent normal development and use of the area.

(c) *Consultation* refers to the constitutionally mandated process whereby the public, on their own or through people's organizations, is provided an opportunity to be heard and to participate in the decision-making process on matters involving the protection and promotion of their legitimate collective interest, which shall include appropriate documentation and feedback mechanisms.

(d) *Idle lands* refer to nonagricultural lands in urban and urbanized areas on which no improvements, as herein defined, have been made by the owner, as certified by the city assessor.

(e) *Improvements* refer to all types of buildings and residential units, walls, fences, structures and constructions of all kinds of a fixed character or which are adhered to the soil but shall not include trees, plants and growing fruits except for urban community vegetable and fruit gardens maintained by the landowner, an existing homeowner, a neighborhood association, the barangay and the landowner's authorized representative.

(f) *Marginal and low-income families* refer to individuals or families residing in urban and urbanized areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority and who do not own any housing facility or home lot. These shall include those who live in makeshift dwelling units and do not enjoy security of tenure.

(g) *Monitoring* refers to the collection, analysis, reporting and use of information about the progress of resettlement, and focuses on physical and financial targets and delivery of entitlements to people.

(h) *On-site development* refers to the process of upgrading and rehabilitation of blighted urban areas with a view of minimizing displacement of dwellers in said areas, and with provisions for basic services.

(i) *Professional squatters* refer to individuals or groups who occupy lands without the expressed consent of the landowner and who have sufficient income for legitimate housing. The term also applies to persons who were previously awarded home lots or housing units by the government but who sold, leased or transferred the same to settle illegally in the same place or in another urban area and non-*bona fide* occupants and intruders of land reserved for socialized housing. The term shall not apply to individuals or groups who simply rent land and housing from professional squatters or squatting syndicates.

(j) *Resettlement areas* refer to areas identified by the local government unit which shall be used for the relocation of the underprivileged and homeless families.

(k) *Socialized housing* refers to the housing programs and projects covering real properties with or without existing houses undertaken by the government or the private sector for underprivileged and homeless citizens which shall include sites and services development, long term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992".

SEC. 4. *Creation.* – There is hereby created a government-owned or -controlled corporation to be known as the Quezon City Development Authority (QCDA), which shall have its principal office in Quezon City.

The QCDA shall be governed by the provisions of Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011", and be subject to the regulatory jurisdiction of the Governance Commission for GOCCs (GCG).

SEC. 5. *Objectives.* – The QCDA shall have the following objectives:

(a) To provide adequate and affordable housing to marginal and low-income families in Quezon City;

(b) To encourage the participation of the private sector in housing ventures and urban renewal;

(c) To promote greening and development of vacant, blighted and underutilized lands in Quezon City owned by the local government; and

(d) To provide to the constituency of Quezon City projects that will improve their quality of life, such as affordable means and schemes of transportation, energy, telecommunication, information technology and manufacturing.

SEC. 6. *Socialized Housing Development as Primary Mandate.* – The QCDA shall maintain as its primary focus the development of socialized housing and urban renewal to be accomplished in any of the following ways:

(a) Development of new settlement areas in the following order of priority: on-site, near site, in-city, and near city;

(b) Upgrading of blighted areas or renewal of areas for priority development, environmental improvement and resettlement program; and

(c) Relocation of urban residents, including informal settlers who are involuntarily displaced due to the housing and urban renewal program.

For this purpose, the QCDA shall be required to develop an area for socialized housing equivalent to at least sixty percent (60%) of its total landholding.

SEC. 7. *Capitalization and Funding.* – The QCDA shall have an authorized capital stock of Two billion pesos (P2,000,000,000.00) divided into two billion (2,000,000,000) shares having a par value of One peso (P1.00) each, which may be available for subscription by the Quezon City government.

SEC. 8. *Powers and Functions of the QCDA.* – The QCDA shall have the following powers and functions in accordance with the established urban development and housing plan prepared by the Quezon City government:

(a) Develop and implement a comprehensive and integrated urban renewal program for Quezon City;

(b) Promote urban housing communities development in Quezon City with due consideration to ecological balance and geohazard assessment;

(c) Acquire, develop, and manage lands and buildings of every kind and character whether belonging to or to be acquired by the QCDA;

(d) Invest its funds as it may deem proper, in bonds and securities issued and guaranteed by the city government or the national government;

(e) Promote housing development by providing technical assistance to any related development project;

(f) Receive donations, grants and bequests for the resettlement of displaced families and development of socialized housing;

(g) Enter into joint ventures and partnerships to allow investments;

(h) Review for possible implementation the recommendations of the Quezon City Local Housing Board;

(i) Plan, implement and monitor urban renewal programs, in coordination with the Environmental Management Bureau of the *Department of Environment and Natural Resources*, to protect and conserve unique, vital and sensitive ecosystems, watershed areas, scenic landscapes, cultural sites and provide resources and funding support for that purpose;

(j) Develop, improve, administer, subdivide or lease any lands, buildings, estates and other forms of real property acquired by the QCDA;

(k) Invest in various proprietary ventures to earn income to pursue its primary objective of urban renewal;

(l) Exercise all necessary corporate powers under Batas Pambansa Blg. 68, or the Corporation Code of the Philippines; and

(m) Perform such other acts necessary to effect the policies and achieve the objectives herein declared.

SEC. 9. *Board of Directors.* – The QCDA shall be governed by a board of directors, hereinafter referred to as the "Board", which shall be composed of nine (9) members, who shall be the following:

(a) The Quezon City Administrator as Chairperson;

(b) The head of the Quezon City Department of Housing;

(c) The head of the Quezon City Planning Department;

(d) One (1) representative from the Quezon City Local Housing Board who shall not be an elected public official, to be nominated by the Local Housing Board members themselves;

(e) Four (4) representatives from the private sector, all *bona fide* residents of Quezon City; and

(f) One (1) representative from the City Development Council who shall not be an elected public official and who shall be nominated by the officers of the City Development Council.

Appointive members of the Board must be qualified by the Fit and Proper Rule as determined by the GCG in accordance with the provisions of Republic Act No. 10149. They shall be appointed by the President of the Philippines from a shortlist submitted by the GCG in accordance with the provisions of Republic Act No. 10149: *Provided*, That in all Board positions, the GCG shall give utmost consideration to the nominees recommended by the City Mayor and the City Council of Quezon City, recommending at least three (3) names for every vacant position.

The members of the Board may receive *per diems*, allowances, and incentives in accordance with the guidelines promulgated by the GCG.

The Board shall meet regularly at least once a month, but special meetings may be called either by the Chairperson or by five (5) members of the Board, when necessary. Five (5) members of the Board shall constitute a quorum and any approval of business shall require the concurrence of at least five (5) members.

The Board may hire from time to time up to a maximum of two (2) consultants from the private sector who are known professionals in the urban renewal and housing industry, with proven track record. They shall be entitled to receive *honoraria* to be determined by the Board.

SEC. 10. *Powers and Duties of the Board.* – The Board shall have the following powers and duties:

(a) Formulate policies, develop programs and promulgate rules and regulations to carry out the powers and functions of the QCDA;

(b) Act upon the annual budget and such supplemental budgets of the QCDA submitted by the General Manager: *Provided*, That the Board may reduce but may not increase any item proposed by the General Manager;

(c) Approve the organizational structure of the QCDA as well as its staffing pattern, the salaries of the personnel and their powers and duties as submitted by the General Manager: *Provided*, That the QCDA shall be covered by Republic Act No. 6758, as amended by Joint Resolution Nos. 1, series of 1994, and 4, series of 2009, the Compensation and Position Classification System for GOCCs under Republic Act No. 10149, as approved by the President of the Philippines: *Provided, further*, That prior approval from the GCG shall be obtained therefor;

(d) Formulate and enforce general and specific policies for housing development, resettlement and urban renewal and other policies that the QCDA may require for the effective discharge of its duties which are not contrary to existing laws;

(e) Order, authorize, direct and coordinate with offices and task forces of the Quezon City government in areas important to the implementation of its projects;

(f) Enter into contracts or agreements as may be necessary for the attainment of the objectives of this Act with parties other than members of the Board, Quezon City officials and employees and their relatives up to the fourth civil degree of consanguinity or affinity, or any judicial entity where such persons mentioned have pending cases or interest;

(g) Acquire by purchase privately owned lands for purposes of urban renewal, housing development, resettlement and related services and facilities: *Provided*, That the acquisition is with consent of the City Council through a resolution;

(h) Design, formulate, negotiate, and implement financial or investment schemes;

(i) Enable private sector assistance and participation in the achievement of the goals of the QCDA and in carrying out its operations;

(j) Render annual reports and special reports, as may be requested, in relation to Section 20 of this Act; and

(k) Enter into and execute memoranda of agreements, joint ventures, long-term leases and management contracts with private sector entities, to include real estate developers or construction companies with dependable repute and proven track record in developing and managing real estate ventures.

SEC. 11. *Duties and Powers of the Chairman of the Board.* - The Chairman shall:

(a) Call and preside at the meetings of the Board and shall see to it that the policies, programs, and rules and regulations developed and promulgated by it are implemented properly;

(b) Present for approval by the Board:

(1) The annual budget of the QCDA;

(2) The rules and regulations needed to carry out the provisions of this Act and the amendments thereto;

(3) Other matters which he deems necessary or proper for the effective implementation of this Act; and

(4) The annual report on the activities and finances of the QCDA, pursuant to Section 20 of this Act; and

(c) Performs such other functions, which the Board may direct to carry out the provisions of this Act.

SEC. 12. *General Manager.* -- The General Manager shall be elected by the Board from the appointive members. The General Manager must possess either:

(a) A career service executive eligibility (CSEE) or career executive service officer (CESO) eligibility;

(b) A post-graduate degree related to law, management or public administration; or

(c) A minimum of ten (10) years of management experience and must be a recognized authority in housing or related field.

The General Manager shall be the Chief Executive Officer of the QCDA and shall be entitled to receive a salary in accordance with the guidelines promulgated by the GCG, and shall serve for a fixed term of one (1) year, unless sooner removed by the Board for cause.

SEC. 13. *Duties and Responsibilities of the General Manager.* -- The General Manager, as the Chief Executive Officer of the QCDA, shall have the following duties and responsibilities:

(a) Execute, administer and implement the policies and measures approved by the Board;

(b) Directly supervise the operation and internal affairs of the QCDA. The General Manager may delegate certain administrative responsibilities to other officers subject to the rules and regulations promulgated by the Board;

(c) Recommend the number and salaries of, appoint the subordinate officers and personnel of the QCDA, and remove or otherwise discipline for cause any officer or employee: *Provided*, That the QCDA shall be covered by Republic Act No. 6758, as amended by Joint Resolution Nos. 1, series of 1994, and 4, series of 2009, the Compensation and Position Classification System for GOCCs under Republic Act No. 10149, as approved by the President of the Philippines: *Provided, further*, That prior approval from the GCG shall be obtained therefor;

(d) Represent the QCDA in all dealings with other offices, agencies, and instrumentalities of the government and with all persons and entities, public or private, domestic or foreign; and

(e) Exercise such other powers and perform such other duties as may be vested by the Board.

SEC. 14. *Organizational Structure of the QCDA.* – The General Manager shall prepare the organizational structure of the QCDA that would best carry out its powers and functions, and attain the objectives of this Act and shall present the same to the Board for its approval.

Subject to approval of the Board, the General Manager shall likewise determine the rates of allowances, *honoraria* and other additional compensation, which the QCDA is hereby authorized to grant its officers, technical staff, consultants and personnel detailed to it.

In all cases, the QCDA shall be covered by Republic Act No. 6758, as amended by Joint Resolution Nos. 1, series of 1994, and 4, series of 2009, the Compensation and Position Classification System for GOCCs under Republic Act No. 10149, as approved by the President of the Philippines: *Provided*, That prior approval from the GCG shall be obtained therefor.

SEC. 15. *Inventory of Lands.* – Within three (3) months from the effectivity of this Act, an inventory of all kinds of lands and improvements thereon within the territorial jurisdiction of Quezon City shall be conducted by three (3) reputable independent appraisers as chosen by the Board. The inventory shall include the following:

- (a) Lands owned by the national government in Quezon City;
- (b) Lands owned by the Quezon City government;
- (c) Unregistered or abandoned and idle lands; and
- (d) Other lands which may be of use to the Quezon City government in pursuit of the objectives of this Act.

In conducting the inventory, the independent appraisers shall indicate the type of land use, the degree of land utilization and other data or information necessary to carry out the purposes of this Act. They shall submit their report on the appraisal and inventory of lands to the Board, the Quezon City Mayor and the Quezon City Council.

SEC. 16. Identification of Sites for Socialized Housing.
— After the inventory, the QCDA, in coordination with the Quezon City Council, shall identify lands for socialized housing and resettlement areas suited for the immediate and future needs of marginal and low-income families in Quezon City, taking into consideration the availability of basic services and facilities, their accessibility and proximity to job sites and other economic opportunities, and the actual number of registered beneficiaries.

Lands for socialized housing may be identified from:

- (a) Those owned by the Quezon City government;
- (b) Alienable lands of the public domain;
- (c) Unregistered or abandoned and idle lands;
- (d) Those within the declared areas for priority development Zonal Improvement Program sites, and Slum Improvement and Resettlement Program sites which have not yet been acquired;
- (e) Donated privately owned lands;
- (f) Private lands offered for sale by the owners; and

(g) Any other manner provided for by law.

The QCDA shall give budgetary priority to on-site development of government lands.

SEC. 17. *Completed Projects: Management and Disposition.* – The QCDA shall determine, establish and maintain the most feasible and effective program for the management or disposition of specific urban renewal, housing or resettlement projects. Unless otherwise decided by the Board, completed housing or resettlement projects of the Quezon City government shall be managed and administered by the QCDA: *Provided*, That the communities and residents have been fully consulted on such arrangements.

SEC. 18. *Eligibility Criteria for Socialized Housing Program Beneficiaries.* – The following shall qualify for the socialized housing program:

- (a) A Filipino citizen;
- (b) Members of the marginal and low-income families in Quezon City;
- (c) Those who do not own any real property in the urban area; and
- (d) Those who are not professional squatters or members of squatting syndicates.

Beneficiaries may also include employees of government entities with offices situated in Quezon City whose salaries are not higher than salary grade 18 or its equivalent as certified by their offices' respective personnel department: Provided, That they are not yet beneficiaries of any housing program.

In coordination with the Quezon City Council, the QCDA shall design a system for the identification and registration of qualified program beneficiaries in accordance with the objectives of this Act.

SEC. 19. *Issuance of Bonds and Power to Borrow.* – The QCDA may be authorized to issue bonds and other securities and enter into any form of indebtedness to finance the implementation of its urban renewal and housing program:

Provided, That only so much of such bonds and securities as the annual project implementation would require shall be issued and sold: *Provided, further*, That no bonds and securities shall be issued unless eighty percent (80%) of those already issued have been sold: *Provided, furthermore*, That the total amount of the bonds or securities and long-term debts issued shall in no case exceed twenty (20) times the paid-up capital and surplus of the QCDA: *Provided, finally*, That in no instance shall the sovereign guarantee of the Republic of the Philippines be required or allowed.

The QCDA, in consultation with the Secretary of Finance and the Monetary Board, shall prescribe the form, the rate of interest and denomination, maturities, negotiabilities, call or redemption features and all other terms and conditions for the bonds and securities to be issued.

The bonds and securities issued under this Act, including the income thereof shall be exempted from all kinds of local taxes and from attachment, execution and seizure which facts shall be stated on the face thereof.

SEC. 20. *Reports.* - The QCDA shall submit an annual report to the Office of the President of the Republic of the Philippines, both Houses of Congress, the Representatives of Quezon City, the Quezon City Mayor and the Quezon City Council indicating, among others, the urban renewal and housing program being implemented, the stages of implementation and the financial position of the QCDA. It shall likewise submit such periodic and other reports as may be required by the GCG, the Quezon City Mayor and the Quezon City Council.

The Quezon City Council shall undertake the internal and external monitoring of the housing and urban development of the QCDA to ensure complete and objective information about the progress of resettlement and shall also:

(a) Assess whether resettlement objectives have been met and specifically whether livelihoods and living standards have been restored or enhanced;

(b) Assess resettlement efficiency, effectiveness, impact and sustainability; and

(c) Ascertain whether the resettlement entitlements were appropriate in meeting the resettlement objectives and whether the resettlement objectives were suited to the conditions.

SEC. 21. *Dissolution.* – In the event the QCDA is dissolved for any reason, all of its properties and other assets remaining at the time of such dissolution shall revert to the Quezon City government.

SEC. 22. *Applicability of the Corporation Code.* – The provisions of the Corporation Code, insofar as these are not inconsistent with the provisions and policies provided in this Act, shall be applicable and supplementary.

SEC. 23. *Separability Clause.* – Should any section or provision of this Act be declared by the courts to be unconstitutional, the validity of this Act or any part hereof other than the part so declared to be unconstitutional or invalid shall not be affected. Any portion hereof not affected by such declaration shall remain in full force and effect.

SEC. 24. *Repealing Clause.* – All laws, ordinances, executive orders, administrative orders, rules, regulations, decrees and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby revoked, repealed or modified accordingly.

SEC. 25. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation in the Philippines.

Approved,



FELICIANO BELMONTE JR.

Speaker of the House
of Representatives






FRANKLIN M. DRILON

President of the Senate



This Act which is a consolidation of Senate Bill No. 2161 and House Bill No. 3899 was finally passed by the Senate and the House of Representatives on September 22, 2014 and September 23, 2014, respectively.


MARILYN B. BARUA-NAP
Secretary General
House of Representatives


OSCAR G. YABES
Secretary of the Senate

Approved:

BENIGNO S. AQUINO III
President of the Philippines

0

Lapsed into law on NOV 08 2014
Without the signature of the President,
In accordance with Article VI, Section
27 (1) of the Constitution.