

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

House Bill No. 198



Introduced by Hon. Rozzano Rufino B. Biazon

EXPLANATORY NOTE

The problem of shelter is one that is shared by almost all municipalities and cities in the Philippines. Because it is a basic need, it is imperative that government place a special and concentrated effort in providing solutions to the shelter problem which is aggravated by the growth in our population.

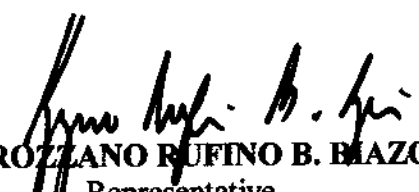
The National Government has various agencies that are mandated to address this problem. There is the Housing and Urban Development Coordinating Council (HUDCC), the National Housing Authority (NHA), Housing and Land Use Regulatory Board (HLURB) and government financing institutions that set and implement policies and programs for shelter.

However, circumstances surrounding shelter problems of municipalities and cities differ from one another. Each locality has its own peculiarity that makes it difficult to set a standard or uniform solution for the shelter problem. The housing agencies of the national government still have to exert extra effort and spend additional time in formulating programs to be implemented in various localities.

This bill seeks to institutionalize Local Housing Boards, which will be created at the level of local government units. Because of their direct governance of their respective constituencies, the local governments are in the best position to know the peculiarities of their locality and establish their priorities. Local housing boards, which shall be composed of representatives coming from the public as well as the private sector and civil society, shall be responsible for the formulation of a housing program in their respective areas of jurisdiction.

Not only will this allow LGUs to chart their own destiny and shape their future with minimum intervention from central government authorities but it will also enable the national government to concentrate on national concerns and be relieved of the burden of managing local affairs. It will further strengthen the autonomy of local governments, in line with the spirit of giving more power to LGUs for self-determination as embodied in the Constitution.

In view of the foregoing, this representation seeks the passage of this bill.


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AN ACT
CREATING LOCAL HOUSING BOARDS IN EVERY CITY AND MUNICIPALITY,
PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES

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

Section 1. Title of the Act. – This Act shall be known as the “*Local Housing Boards Act.*”

Section 2. Declaration of Policy. – a) It is the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living and an improved quality of life for all.

b) It is the policy of the State to adopt a continuing socialized housing program that will make available at affordable cost decent housing and basic services to underprivileged and homeless urban or rural poor dwellers.

c) It is the policy of the State to protect urban or rural poor dwellers from evictions or demolitions undertaken in violation of the law or, in an unjust or inhumane manner.

d) It is hereby declared that the territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-sufficient communities and make them more effective partners in the attainment of national goals. Toward this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local

government units (LGUs) shall be given more powers, authority, responsibilities and resources.

The process of decentralization shall proceed from the National Government to the LGUs.

e) It is the policy of the State to promote and institutionalize the participation of the private sector, non-government organizations (NGOs) and people's organizations (POs) in the urban and rural development process.

f) It is the policy of the State to require all national agencies and offices to conduct periodic consultations with appropriate local government units, non-governmental and people's organizations and other concerned sectors of the community before any project or program is implemented in their respective jurisdictions.

Section 3. Definition of Terms. – For purposes of this Act, the following terms or words and phrases shall mean or be understood as follows:

- a) *Balanced Housing Requirement* refers to the mandate pursuant to Section 18 of the Urban Development and Housing Act (UDHA), whereby developers of proposed subdivision projects shall be required to develop an area for socialized housing equivalent to at least twenty percent (20%) of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standard set by the Housing and Land Use Regulatory Board (HLURB) and other existing laws;
- b) *Comprehensive Land Use Plan* refers to the primary and dominant bases for land use, applying a rational approach for allocating available land resources as equitably as possible among competing user-groups and for different functions, consistent with the development and zoning plan of the area and the provisions of the UDHA;
- c) *Economic Housing* refers to a type of housing project provided to moderately low-income families with lower interest rates and longer amortization periods;
- d) *Local Government Pabahay Program* refers to the program aimed at synchronizing and coordinating efforts of all government housing agencies involved in assisting LGUs in their respective socialized housing projects, in the context of Executive Order No. 143, series of 1993;

- e) *Local Shelter Plan* refers to a general framework that effectively provides a step-by-step procedure by which cities and municipalities could formulate solutions to their housing problems. It shall include measures to enable cities and municipalities to plan and implement their specific mandates based on the UDHA, and to facilitate a linkage with comprehensive land use plans as defined under this Act;
- f) *Local Shelter Plan Guidelines* refers to a model for the preparation of local shelter plans, as embodied in the National Urban Development and Housing Framework (NUDHF), or that which was developed under the PHI/89/F02 Project, implemented by the Housing and Urban Development Coordinating Council (HUDCC) and executed by the United Nations Centre for Human Settlements (UNCHS);
- g) *National Urban Development and Housing Framework (NUDHF)* refers to the authoritative document issued by the HLURB aimed at achieving the objectives of the UDHA;
- h) *Rural Areas* refer to those areas that are not urban areas as defined under this Act;
- i) *Socialized Housing* refers to housing programs and projects covering houses, lots or house and lots, undertaken by national or local governments or the private sector for underprivileged and homeless citizens, which shall include sites and services development, financing, liberalized terms on interest payments, and such other benefits in accordance with existing laws, rules and regulations;
- j) *UDHA* refers to the Urban Development and Housing Act of 1992 or Republic Act No. 7279 (R.A. No. 7279);
- k) *Underprivileged and Homeless Rural or Urban Poor Dwellers* refers to individuals or families residing in rural or urban areas whose income or combined household income falls within the poverty threshold as defined by the National Economic Development Authority (NEDA) and who do not own housing facilities, and shall include those who live in makeshift dwelling units and do not enjoy security of land tenure; and

- l) *Urban Areas* refers to all cities regardless of their population density and to municipalities with a population density of at least five hundred (500) persons per square kilometer;

Section 4. Coverage. – This Act shall cover all cities and municipalities in both urban and rural areas.

Section 5. Mandate. – Every city and municipality, through its local housing board, shall formulate, develop, implement and monitor policies on the provision for housing and resettlement areas and on the observance of the right of the underprivileged and homeless to a just and humane eviction and demolition.

Section 6. Composition. – The local housing board in a city or municipality shall be composed of the following:

- i) The City/Municipal Mayor as Chairman;
- ii) The City/Municipal Vice-Mayor as Vice-Chairman;
- iii) The Chairperson of the Sangguniang Panglungsod/Bayan Committee on Housing and Urban Development or its equivalent, as Member;
- iv) The City/Municipal Planning and Development Coordinator as Member;
- v) The City/Municipal Engineer as Member; and
- vi) Representatives of People's Organizations (POs)/Non-Government Organizations (NGOs) operating in the city or municipality, who shall constitute not less than one fourth (1/4) of the members of the fully organized Board as Members: *Provided*, That a PO/NGO already represented in any local special body may be concurrently represented in any local housing board.

Section 7. Powers and Functions. – City or municipal local housing boards shall have the following powers and functions:

- a) Prepare, based on local shelter plan guidelines and with the assistance of HUDCC and other concerned government agencies, local shelter plans which shall form part of the city/municipal development plans: *Provided*, That public hearings shall be conducted for the purpose;

- b) Designate at least one (1) representative to their respective local development councils: *Provided*, That said representative is not already a member of the council;
- c) Assist the city/municipal development councils in the formulation of their respective comprehensive land use plans;
- d) Approve preliminary and final subdivision schemes and development plans of subdivisions, residential, commercial, industrial and other purposes, in accordance with the provisions of Presidential Decree No. 957, as amended, otherwise known as the Subdivision and Condominium Buyers' Protective Decree, and its implementing standards, rules and regulations concerning subdivisions and condominiums;
- e) Approve preliminary and final subdivision schemes and development plans of all economic and socialized housing projects as well as individual or group building occupancy permits covered by Batas Pambansa Blg. 220 and its implementing standards, rules and regulations;
- f) Evaluate and resolve the opposition to the issuance of development permits for any of the projects stated in the two (2) preceding sub-sections, in accordance with the said laws and the Rules of Procedure promulgated by the Housing and Land Use Regulatory Board (HLURB) incident thereto;
- g) Monitor the nature and progress of land development of projects it has approved, as well as housing construction in the case of house and lot packages, to ensure their faithfulness to the approved plans and specifications thereof, and impose appropriate measures to enforce compliance therewith;
- h) Ensure compliance with the Balanced Housing Requirement as provided in Section 18 of R.A. 7279 and its implementing rules and regulations;
- i) Conduct an inventory of all lands within their respective localities, and update the same every three (3) years, in accordance with Section 7 of R.A. 7279 and guidelines issued for the purpose;
- j) Identify the sites for socialized housing, subject to the requirements prescribed by Section 8 of R.A. 7279 and guidelines issued for the purpose;

- k) Advise the Sanggunian on matters of local taxation which may affect the local government housing program, which includes, but shall not be limited to, the formulation of a socialized housing tax, idle lands tax, and an additional levy on the real property tax to constitute a Special Socialized Housing Fund;
- l) Recommend, for approval of their respective local chief executives (LCEs), formulated schemes for the acquisition and disposition of lands within their localities for socialized housing purposes, subject to Sections 9 to 14 of R.A. 7279 and its implementing guidelines: *Provided*, That such schemes shall ensure that the valuation of a particular land for socialized housing purposes shall be within the affordability levels of prospective beneficiaries;
- m) Recommend for approval of their respective LCEs partnership arrangements with the national government on, but shall not be limited to, the following programs:
 - i) Housing Production Assistance, Resettlement Assistance, Local Housing, Cost Recoverable Joint Ventures and other relevant programs of the National Housing Authority (NHA);
 - ii) Local government housing assistance programs of the Home Development Mutual Fund (HDMF), National Home Mortgage Finance Corporation (NHMFC), Home Guaranty Corporation (HGC), and for this purpose, local housing boards shall coordinate with the Advisory Committee created to oversee the implementation of the Local Government Pabahay Program; and
 - iii) Other socialized housing projects undertaken by other national government agencies and government-owned and controlled corporations within their respective localities.
- n) Ensure the registration of underprivileged and homeless urban or rural dwellers as socialized housing beneficiaries under Sections 16 and 17 of R.A. 7279: *Provided*, That local housing boards shall assume the functions of city or municipal registration committees as constituted under the implementing rules and regulations of the same Sections;

- o) Coordinate with government agencies and instrumentalities performing functions which may affect housing and urban development;
- p) Submit to the President and the Congress of the Philippines, an annual report as provided by Section 41 of R.A. 7279; and
- q) Perform such other related functions established by law or ordinance, as necessary to implement the mandate of local government units under the Urban Development and Housing Act.

Section 8. Generation and Mobilization of Resources. – Local housing boards are hereby constituted as the primary entities tasked to advise local chief executives on matters of sourcing of funds for socialized housing. For this purpose, local housing boards may recommend the following schemes for funding socialized housing projects:

- a) build-operate-transfer and other related schemes;
- b) bond flotation and other credit financing arrangements;
- c) availment of foreign or local grants: *Provided*, That local housing boards are hereby authorized to receive foreign and local grants which shall be remitted to the local treasury, and shall be credited to the socialized housing account of the local government unit concerned;
- d) loan packages from government financing/lending institutions;
- e) joint venture projects with private sector groups or developers; and
- f) pooling of resources between and among LGUs, the private sector, NGOs and POs.

Section 9. Demolition Clearinghouse. – Local housing boards are hereby tasked to oversee the implementation of Section 28 of the UDHA and its implementing rules and regulations: *Provided*, That just and humane eviction and demolition procedures under Section 28 of the UDHA and its implementing rules and regulations are likewise made applicable to rural areas.

In this regard, local housing boards shall:

- a) Oversee and coordinate government activities relative to consultation, relocation, and resettlement of underprivileged and homeless urban or rural poor dwellers in cases

where evictions and demolitions affecting them are necessary and allowed by existing laws;

- b) Recommend policy measures and/or undertake appropriate action to ensure full compliance with the constitutional mandate and statutory requirements prior to evictions and/or demolitions affecting underprivileged and homeless urban or rural poor dwellers; and
- c) Issue directives, rules and regulations, consistent with laws, as it may deem necessary to effectively carry out the purposes of the constitutional mandate to ensure just and humane evictions and demolitions.

Section 10. Compliance Report. – Before undertaking evictions and/or demolitions that will affect underprivileged and homeless urban or rural poor dwellers, the city or municipality concerned, national government agencies or other proponents of eviction and demolition activities, including employees of the judiciary, shall submit a Compliance Report to the local housing board, with a statement under oath that:

- a) adequate consultation as defined and outlined under pertinent laws, rules and regulations have already been undertaken with the affected residents;
- b) adequate relocation, as defined and outlined under pertinent laws, rules and regulations, is available, ready, and sufficiently supported by relocation and resettlement funding; and
- c) the requirements and procedures prescribed under the implementing rules and regulations of Section 28 of the UDHA, specifically on the Pre-Relocation, Relocation, and Post-Relocation Phases of eviction/demolition activities have been or shall be observed.

The Compliance Report shall include a certified list of families to be evicted and/or relocated. The local housing board shall have the power to review the Compliance Report and approve or disapprove the same.

Section 11. Meetings and Quorum. – The Board shall meet at least once a month or as often as may be deemed necessary. The presence of the Chairman or the Vice-Chairman and a majority of the members of the Board shall constitute a quorum.

Section 12. Compensation and Remuneration. – Members of the local housing Board who are not government officials or employees shall be entitled to the necessary traveling expenses and allowances chargeable against the funds of the local housing board concerned, subject to existing accounting and auditing rules and regulations.

This does not preclude cities and municipalities from mobilizing other possible funding sources for the compensation and remuneration of members of the local housing board who are not government officials or employees.

Section 13 Budget. – The cities and municipalities shall appropriate at least one percent (1%) of their Internal Revenue Allotment for the year for the operations and activities of the Board.

Section 14. Penalties. – Failure to submit the Compliance Report as required by Section 10 of this Act, or any act of misrepresentation or fraud in connection with any information contained in a submitted Compliance Report, or unjustified failure or refusal of a mayor to constitute the local housing board as created and defined by this Act, shall subject the national and local government officials and employees responsible for such omission, misrepresentation, fraud, or unjustified failure or refusal to:

- a) disciplinary action under Book I, Title Two, Chapter 4 of the Local Government Code; and/or
- b) prosecution under the penalty clause of the UDHA.

For this purpose, local chief executives of cities and municipalities shall constitute such local housing boards within ninety (90) days from the effectivity of this Act. Failure to constitute the local housing board within this prescribed period shall be *prima facie* evidence of unjustified failure or refusal to do so.

Section 15. Transitory Provisions. – Cities and municipalities with existing local housing and urban development boards or similar entities are hereby given ninety (90) days from the effectivity of this Act within which to amend their respective ordinances to conform with the provisions of this Act: *Provided*, That nothing herein stated shall preclude cities and municipalities from designating additional functions and/or appropriating additional funds to achieve the objectives of this Act.

Section 16. Implementing Rules and Regulations. – Within sixty (60) days after the approval of this Act, the Housing and Urban Development Coordinating Council (HUDCC) and the Department of the Interior and Local Government (DILG), in consultation with the concerned government agencies, the private sector, POs and NGOs, shall formulate the appropriate rules and regulations necessary to effectively implement any or all of the provisions of this Act. Such rules and regulations shall include, among others, guidelines on the following:

- a) resource generation and mobilization for socialized housing purposes;
- b) schemes for local government housing assistance; and
- c) accreditation and selection of representatives of the private sector, NGOs and POs to the local housing board.

Section 17. Repealing Clause. – (a) Sections 447 (a) (2) (x) and 458 (a) (2) (x) of the Local Government Code are hereby repealed;

- b) Section 107 (b) of the Local Government Code is hereby amended;
- c) Executive Order No. 71, series of 1993 is hereby amended insofar as the assumption by the local housing board of the functions devolved from the HLURB to LGUs; and
- d) All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or part or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 18. Separability Clause. – If for any reason, any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in force and effect.

Section 19. Effectivity Clause. – This Act shall take effect upon publication in at least two (2) newspapers of general circulation.

Approved,