

Republic of the Philippines
House of Representatives
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 154

Introduced by Honorable Edwin L. Olivarez

EXPLANATORY NOTE

The creation of the Local Housing Board (LHB) provides the administrative machinery that will complement the efforts of shelter agencies to effect the full implementation of R.A. 7279 or the UDHA and provide solution to the problem of housing among many of our countrymen. Given the different circumstances under which the shelter problem is faced by local government units (LGUs), a body at the local level that knows a locality's peculiarities would be in the best position to determine its shelter priorities.

With its creation the provision of adequate quality but affordable social housing will be accelerated nationwide. This proposed measure gives more autonomy – more power, authority, and responsibilities – to the Local Government Units (LGUs) especially concerning the provision of housing in their respective localities.

Further, the devolved powers, e.g. the approval of subdivision plans for residential, industrial, and other developmental purposes, will not only professionalize and stabilize the process of approval but will also ensure greater and more effective multi-sectoral participation, in the end hasten the development.

Under this measure, the LHB is mandated to be created in every city and 1st to 3rd class municipalities for the purpose of formulating, implementing and monitoring policies on the provision of housing and on the observance of a just and humane procedure in cases of eviction and or demolition at the local level. However, its creation is optional at the level of 4th and 5th class municipalities.

The LHB will be tasked to formulate, develop, implement and monitor policies on the provisions for housing and resettlement areas and on the observance of the rights of the underprivileged and homeless to a just and humane eviction and demolition. This measure also proposes the creation of the position of Local Housing and Urban Development Officer, an appointive local position, which will implement the policies, plans and programs formulated by the LHB.

Further, the measure devolves the function of clearinghouse for eviction and/or demolition from the Presidential Commission for the Urban Poor (PCUP) to the LHB to

oversee the implementation of a just and humane eviction and/or demolition pursuant to Section 28 of the R.A. 7279 of the UDHA.

Finally, the LGUs are mandated to appropriate at least one percent (1%) of the Internal Revenue Allotment for the LHB.

Thus, approval of this bill is earnestly sought.

A handwritten signature in black ink, consisting of a stylized 'E' followed by a long horizontal stroke and a small loop at the end.

EDWIN L. OLIVAREZ

1st District Paranaque City

Republic of the Philippines
House of Representatives
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Introduced by Honorable Edwin L. Olivarez

AN ACT CREATING A LOCAL HOUSING BOARD IN EVERY CITY AND MUNICIPALITY, PROVIDING FOR ITS POWERS AND DEFINING ITS DUTIES AND FUNCTIONS, AND FOR OTHER PURPOSES

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 "Local Housing Board 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. Towards 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, nongovernment 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 LGUs, nongovernmental organizations and Pos and other concerned sectors and stakeholders 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 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) *NGO or Nongovernmental Organization* is a nonprofit, voluntary organization that is committed to the task of socio-economic development and established primarily for service which may involve assisting citizens of peoples organization (Po's) in various ways by educating, training or giving financial assistance to them;
- (i) *PO or People's Organization* is an independent community and/or class-based association established to protect and advance the interest of specific causes or sectors, e.g., urban poor, labor, farmers, fishermen, women;
- (j) *Rural Areas* refer to those areas that are not urban areas as defined under this act;
- (k) *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;

- (l) *UDHA* refers to the Urban Development and Housing Act of 1992 or Republic Act No. 7279;
- (m) *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
- (n) *Urban Areas* refer 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 first to third class municipalities in both urban and rural areas: *Provided,* That fourth and fifth class municipalities may create their own Local Housing Board if they so desire.

SECTION 5. *Mandate.* - Every city and municipality covered under this Act, 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:

- (a) The City/Municipal Mayor, as chairman;

- (b) The City/Municipal Vice Mayor, as vice chairman;
- (c) The Chairperson of the Sangguniang Panlungsod/Bayan Committee on Housing and Urban Development or its equivalent, as member;
- (d) The City/Municipal Planning and Development Coordinator, as member;
- (e) A representative of the Pos in the city or municipality, as member;
- (f) A representative of the NGOs operating in the city or municipality, as member;
- (g) A representative of the private sector engaged in subdivision and housing development in the city or municipality, as member.

A PO, NGO or private sector already represented in any local special body may be Concurrently represented in any local housing board.

SECTION 7. *Powers and Functions.* - A city or municipal local housing board shall have the following powers and functions:

- (a) Prepare, based on local shelter plan guidelines and with the assistance of the 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 representative to their respective local development councils;
- (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 any opposition to the issuance of development permits for any of the projects stated in the two preceding subsections, in accordance with the said laws and the Rules of Procedure promulgated by the HLURB incident thereto;
- (g) Designate the sites for socialized housing, subject to the requirements prescribed by Section 8 of Republic Act No. 7279 and guidelines issued for the purpose;
- (h) Advise the Sanggunian concern, 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 (SSHD);
- (i) Recommend, for approval to their respective local chief executives (LCEs), formulated schemes for the acquisition and disposition of lands within their localities for socialized housing purposes, subject to Section 9 to 14 of Republic Act No. 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;

(j) 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), the National Home Mortgage Finance Corporation (NHMFC), the 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;

(k) Coordinate with government agencies and instrumentalities performing functions which may affect housing and urban development;

(l) Submit to the President and the Congress of the Philippines, an annual report as provided in Section 41 of Republic Act No. 7279; and

(m) Perform such other related functions established by law or ordinance, as necessary to implement the mandate of LGUs under the UDHA.

SECTION 8. *Local Housing and Urban Development Officer.* - The housing and urban development policies, plans and programs formulated by the Local Housing Board shall be implemented by an appointive local official to be known as the **Local Housing and Urban Development Officer**.

No person shall be appointed Local Housing and Urban Development Officer unless he is a citizen of the Philippines, a resident of the LGU concerned, of good moral character, a holder of a college degree in public administration, urban planning, development studies, economics, civil engineering, or other related course with special training in housing and urban development programs and management from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have an experience in housing development projects, organization of housing development projects, organization of housing associations, management and operation of housing and shelter programs and other related activities for at least five years in the case of the Provincial or City Housing and Urban Development Officer, and three years in the case of Municipal Housing and Urban Development Officer.

The appointment of the Local Housing and Urban Development Officer shall be mandatory for all the LGUs covered under this Act.

SECTION 9. *Duties and Functions of the Local Housing and Urban Development Officer.* - The Local Housing and Urban Development Officer shall:

- (a) Implement the local shelter plans prepared by the Local Housing Board;
- (b) Monitor the nature and progress of land development of projects approved by the Board, as well as housing construction in the case of house and lot packages, to ensure their faithfulness to the approved plans

their viability as an economic enterprise and social organization;

(iii) Assist the housing associations, cooperatives or organizations in establishing linkages with government agencies and NGOs involved in the promotion and integration of the concept of shelter development and generation, taking into account the livelihood of the people and other community activities;

(iv) Ensure the enforcement of laws, policies and programs on housing and shelter, organization of housing cooperatives and associations, rehabilitation of or the viability-enhancement, particularly during and in the aftermath of man-made and natural calamities and disasters, to aid in their survival and, if necessary, employ subsequent rehabilitation of these entities or beneficiaries; and

(v) Perform such other duties and functions as may be prescribed by law or ordinance.

SECTION 10. *Generation and Mobilization of Resources.* - The Local Housing Board is hereby constituted as the primary entity tasked to advise the Local Chief Executive (LCE) on matters of sourcing of funds for socialized housing. For this purpose, the Local Housing Board 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 the Local Housing Board is 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 LGU 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 11. *Demolition Clearinghouse.* - The Local Housing Board is 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, the Local Housing Board 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 12. *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 13. *Meetings and Quorum.* - The Local Housing 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.

Special meetings may be called by the chairman or by a majority of the members, with written notice, together with the agenda of the meeting, served upon each member at least one day before the intended meeting.

The chairman or, in his absence, the vice chairman shall preside over the board meetings.

SECTION 14. *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 15. *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 16. *Penalties.* - Failure to submit the Compliance Report as required by Section 12 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 the Local Chief Executive (LCE) 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 1, Title Two, Chapter 4 of the Local Government Code; and/or
- (b) prosecution under the penalty clause of the UDHA.

For this purpose, LCEs 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 17. *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 18. *Implementing Rules and Regulations.* - Within sixty (60) days after the approval of this Act, the 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 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 19. *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) Title Five, Book III of the Local Government Code is hereby amended by the inclusion of a new Article on the Local Housing and Urban Development Officer to be designated as Article Twenty-One and a new section under it to be designated as Section 491 to provide for the qualifications, and powers and duties thereof as enunciated in this Act;

(d) 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

(e) 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 20. *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 21. *Effectivity Clause.* - This Act shall take effect upon its publication in at least two newspapers of general circulation.

Approved.