

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3188

Introduced by Rep. BERNADETTE HERRERA-DY

EXPLANATORY NOTE

It is the policy of the state to provide intervention for affordable housing program for the public, especially for the poor, marginalized and homeless Filipinos. No less than the 1987 Philippine Constitution, under Section 9, Article XIII provides: "The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centres and resettlement areas."

With the housing trends in the metropolitan and urban areas in the country, most housing developers choose, nowadays, vertical housing projects such as condominium projects to answer for the scarcity and lack of available lots suitable for housing projects. Past housing programs have enabled non-poor households to have access to the formal housing markets. However, socialized housing is still inaccessible to the poor, especially those in urban areas. The bottom 40 percent of urban households had to resort to informal housing or informal settlements characterized by congestion and very poor living conditions. In fact, under Chapter 4 of the Medium-Term Philippine Development Plan (MTPDP) for the year 2004-2010 on Housing Construction, one of the key challenges set forth therein is expanding private sector participation in socialized housing financing and construction, and with the thrust of the government to shift towards a market-oriented housing finance system, a level playing field for both public and private housing programs will be ensured.

Demand for housing continues to grow as the Philippine population continues to grow rapidly. Government resources are, however, limited and most public programs tend to produce complete shelter packages largely unaffordable to the poor. Annual population growth is estimated at 2.36 percent while urbanization rate is 52 percent. For the period 2005-2010 according to the NEDA, the housing need is projected to be 3.75 million units. In terms of geographical location, more than half of the total housing needs (56%) is in Southern Tagalog, the Metropolitan Manila and Central Luzon, 21 percent in the Visayas and the remaining 23 percent in

Mindanao (Chapter 4 – Housing Construction MTPDP 2004-2010). With the vertical housing development trend nowadays plus the bigger percentage of housing needs in the urban areas, the share and participation of the private sector in socialized housing has to be reassessed and restructured to include vertical housing developments, such as condominium projects, to help mitigate, if not eradicate this backlog of housing needs in the country.

This proposed measure amends the Republic Act 4276 entitled, “The Condominium Act” by requiring developers of proposed condominium projects to develop an area for socialized housing which is equivalent to twenty-percent (20%) of the total project area or total condominium project cost, at the option of the developer. The area for such socialized housing component shall be done within the same city or municipality, whenever feasible, and in accordance with the standards set by the Housing and Land Use Regulatory Board and other existing laws.

In view of the foregoing, approval of this bill is earnestly sought.



BERNADETTE HERRERA-DY

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**AN ACT REQUIRING DEVELOPERS OF PROPOSED CONDOMINIUM
PROJECTS TO DEVELOP AN AREA FOR SOCIALIZED HOUSING,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4726 ENTITLED "THE
CONDOMINIUM ACT"**

*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 *"Socialized Housing for
Condominium Act of 2010"*

Section 2. The following new sections to be designated as sections 26 and 27 of
Republic Act 4726, are hereby inserted to read as follows:

“Sec. 26. Developers of proposed condominium projects shall be
required to develop an area for socialized housing equivalent to at least
twenty percent (20%) of the total project area or total condominium project
cost, at the option of the developer within the same city or municipality,
whenever feasible, and in accordance with the standards set by the Housing
and Land Use Regulatory Board and other existing laws. The requirement
herein may also be complied with in any of the following manner:

- (a) Development of new settlement;
- (b) Slum upgrading or renewal of areas for priority development either
through zonal improvement programs or slum improvement and
resettlement programs;
- (c) Joint-venture projects with either the local government units or any of
the housing agencies; or
- (d) Participation in the community mortgage program.

For purposes of this Act 'socialized housing' shall have the same meaning as that stated in Section 3 of Republic Act Numbered Seventy-Two Hundred and Seventy-Nine entitled 'Urban Development and Housing Act of 1992.' Similarly, the provisions of said Act on Socialized Housing, in so far as they are applicable to carry out the provisions of this section, shall apply to condominium developers."

"Sec. 27. Any person who violates the foregoing provision shall be imposed a penalty of not more than six (6) years of imprisonment or a fine of not less than Five hundred thousand pesos (P500,000.00) but not more than ten million pesos (P10,000,000.00), or both, at the discretion of the court for the first offense and cancellation of license to do business for the second offense: *Provided, That, if the offender is a corporation, partnership, association or juridical entity, the penalty shall be imposed on the officer or officers of said corporation, partnership, association or juridical entity who caused the violation.*"

Section 3. Sections 26 and 27 of RA 4726 are hereby amended and renumbered to read as Sections 28 and 29, respectively.

Section 4. *Separability Clause.* If any part, section or provision of this Act shall be held invalid or unconstitutional, the validity of the remaining provisions thereof shall be in full force and effect.

Section 5. *Repealing Clause.* Any law, presidential decree or issuance, executive order, rules or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

Section 6. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two newspapers of general circulation.

Approved,