

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4022

Introduced by AKBAYAN Representatives Walden F. Bello and Kaka J. Bag-ao

EXPLANATORY NOTE

Article XIII, Section 9 of the Constitution explicitly mandates that "the State shall, by law, 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 social services to underprivileged and homeless citizens in urban centers and resettlement areas."

A key initiative in promoting private sector participation in this Constitutionally-mandated housing program is Section 18 of the Republic Act No. 7279, or the Urban Development and Housing Act (UDHA), which, in turn, provides that "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."

This "balanced housing" requirement under Section 18 of RA 7279 is intended to ensure that every government approved housing project, whether specifically for socialized housing or not, contributes to addressing the nation's massive problem of homelessness, which, according to a Senate commissioned report, currently stands at around 3.7 million homeless families. It assures that every time the government grants permission for houses to be built, there will be houses that will be built for the poor.

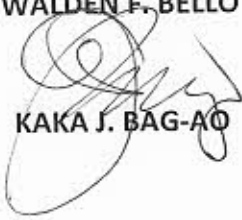
The impact of the balanced housing provision of RA 7279 has, however, been seriously weakened by numerous executive issuances that provide for "alternative" modes of compliance. Under various issuances, developers may comply by purchasing bonds issued to finance the housing loan program. Purchase of these Bonds is deemed sufficient compliance with Section 18 of R.A. 7279. With bonds as substitute, not only are private developers excused from investing in housing but also increases government financial obligations on the basis of the bonds.

More significantly, these alternative modes of compliance have actually discouraged actual houses for the poor from being built, thus seriously undermining a crucial pillar of the government housing program.

This bill is aimed at addressing this issue by making more explicit the purpose and parameters of the balanced housing requirement currently provided for in Section 18 of RA 7279. In so doing, it is envisioned that the program to provide more underprivileged and homeless Filipinos with the opportunity to have their own homes will be strengthened, and that ultimately, greater headway will be made in the continuing effort to uphold the rights and dignity of every Filipino.



WALDEN F. BELLO



KAKA J. BAG-AO

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AN ACT
TO PROMOTE BALANCED HOUSING DEVELOPMENT AND ENHANCE
PRIVATE SECTOR CONTRIBUTION TO EFFORTS TO ADDRESS THE
HOUSING BACKLOG AND AMENDING FOR THE PURPOSE PROVISIONS
OF REPUBLIC ACT NO. 7279 OTHERWISE KNOWN AS THE URBAN
DEVELOPMENT AND HOUSING ACT OF 1992 AND OTHER RELATED LAWS

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

SECTION 1. Declaration of Policy – It is hereby declared that it is the policy of the State to respect, protect, and fulfill the human right to housing as established under the International Covenant on Economic, Social and Cultural Rights, and as observed in Article XIII, Section 9 of the Constitution. To this end, the State seeks to undertake, encourage, and support initiatives intended to provide every citizen with effective access to adequate housing facilities, within a framework of balanced urban development.

SECTION 2. Amendments to the Urban Development and Housing Act – Consistent with the above-stated principle, Section 18 of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992, is hereby amended to read as follows:

“SECTION 18. Balanced Housing Development. – The Program shall include a system to be specified in the Framework plan 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 standards set by the Housing and Land Use Regulatory Board and other existing laws. The balanced housing development as herein required may also be complied with by the developers concerned 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.

In availing of any of these modes of compliance, the developer shall be, in all cases, required to spend or contribute an amount equivalent to at least twenty percent (20%) of the total subdivision project cost or land equivalent to at least twenty percent (20%) of the total subdivision area.

No other form of compliance to this Section may be prescribed except through the enactment of a subsequent law.

Furthermore, no subdivision plan shall be approved by any local legislature or government agency unless the same is accompanied by a written undertaking, made under oath, by the developer, setting forth in detail the manner in which compliance with this section is proposed."

SECTION 3. *Repeal of issuances allowing for alternative compliance.* – The current Implementing Rules and Regulations for Republic Act No. 7279, and all other executive orders, regulations, or issuances, insofar as they allow for modes of compliance outside of those specified in the amended Section 18 are hereby repealed or modified accordingly.

SECTION 4. *Preparation of new implementing rules.* – Within sixty (60) days from the effectivity of this Act, the Housing and Urban Development Coordinating Council (HUDCC) shall finalize a new set of Implementing Rules and Regulations for the amended Section 18 of Republic Act No. 7279, consistent with the parameters and standards set forth in said section. Non-government organizations and people's organizations involved in housing rights and urban poor advocacy, as well as the private sector, shall be consulted in the process of drafting these implementing rules.

SECTION 5. *Separability Clause.* – If any provision of this Act, or any part thereof, is declared unconstitutional, the same shall not affect the validity and effectivity of the other portions.

SECTION 6. *Repealing Clause.* – All laws, executive orders, presidential decrees, proclamations, rules, regulations, issuances and enactments or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 7. *Effectivity* – This Act shall take effect after fifteen (15) days from its complete publication either in the *Official Gazette* or in a newspaper of general circulation in the Philippines, whichever comes earlier.

APPROVED.