

Republic of the Philippines
REPUBLIC OF THE PHILIPPINES
Quezon City

15th Congress
2nd Regular Session



COMMITTEE REPORT NO. 1498

Submitted by the Committee on Housing and Urban Development on 20 OCT 2011
Re: House Bill No. 5448
Recommending its approval in substitution of House Bill Nos. 3188, 3189, 3451, 4022, 4371 and 5282
Sponsors: Representatives Valencia, Herrera-Dy, Mercado-Revilla, Bello and Lazatin

Mr. Speaker:

The Committee on Housing and Urban Development to which were referred House Bill No. 3188 introduced by Rep. Bernadette R. Herrera-Dy, entitled:

"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'";

House Bill No. 3189 introduced by Reps. Bernadette R. Herrera-Dy and Marcelino R. Teodoro entitled:

"AN ACT REQUIRING DEVELOPERS OF PROPOSED CONDOMINIUM PROJECTS TO DEVELOP AN AREA FOR SOCIALIZED HOUSING, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279 ENTITLED 'URBAN DEVELOPMENT AND HOUSING ACT OF 1992'";

House Bill No. 3451 introduced by Rep. Lani Mercado-Revilla entitled:

"AN ACT AMENDING SECTION 18 OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AND FOR OTHER PURPOSES";

House Bill No. 4022 introduced by Reps. Walden F. Bello and Kaka G. Bag-ao entitled:

"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 AND HOUSING DEVELOPMENT ACT OF 1992 AND OTHER RELATED LAWS";

House Bill No. 4371 introduced by Rep. Rodolfo G. Valencia entitled:

"AN ACT TO AMEND SECTIONS 18 AND 21 OF REPUBLIC ACT NO. 7279, ENTITLED 'AN ACT TO PROVIDE COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES' OTHERWISE KNOWN AS THE 'URBAN DEVELOPMENT AND HOUSING ACT OF 1992', TO INCLUDE THE CONSTRUCTION OF EDUCATION FACILITIES AS AN ALTERNATIVE COMPLIANCE TO THE BALANCED HOUSING DEVELOPMENT";

and House Bill No. 5282 introduced by Rep. Carmelo F. Lazatin entitled:

"AN ACT AMENDING SECTION 18 OF REPUBLIC ACT NO. 7279, ENTITLED: 'AN ACT TO PROVIDE FOR A COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES.' "

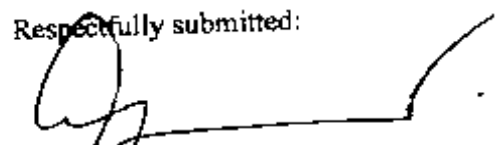
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has considered the same and recommends that the attached House Bill No. _____, entitled:

"AN ACT STRENGTHENING THE BALANCED HOUSING DEVELOPMENT PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279, ENTITLED: 'AN ACT TO PROVIDE FOR A COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES' "

be approved in substitution of House Bill Nos. 3188, 3189, 3451, 4022, 4371 and 5282 with Reps. Herrera-Dy, Teodoro, Mercado-Revilla, Bello, Bag-ao, Valencia, Lazatin, Castelo, Leonen-Pizarro, Olivares, Alcala, Tinga, Palmones, Ty, Lico, De Jesus, Sarmiento and Lapus as authors thereof.

Respectfully submitted:



RODOLFO G. VALENCIA
Chairman

Committee on Housing and Urban Development

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
House of Representatives
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

5448

HOUSE BILL NO. _____

Introduced by Reps. Herrera-Dy, Teodoro, Mercado-Revilla, Bello, Bag-ao, Valencia, Lazatin,
Castelo, Leonen-Pizarro, Olivares, Alcalá, Tinga, Palmones, Ty, Lico, De Jesus, Sarmiento and Lapus

AN ACT STRENGTHENING THE BALANCED HOUSING DEVELOPMENT PROGRAM, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 7279, ENTITLED: "AN ACT TO PROVIDE FOR A COMPREHENSIVE AND
CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR
ITS IMPLEMENTATION, AND FOR OTHER PURPOSES"

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

1 **SEC. 1. Short Title.** - This act shall be known as the "Balanced Housing Development
2 Program Amendment of 2011".

3 **SEC. 2. Amendatory Provisions.** - For purposes of this Act, the following provisions of
4 Republic Act (R.A.) No. 7279, entitled: "An Act to Provide for a Comprehensive and Continuing Urban
5 Development and Housing Program, Establish the Mechanism for its Implementation, and for Other
6 Purposes," are hereby amended:

7 (a) Section 18 of R. A. 7279 is hereby amended to read as follows:

8 **"SEC. 18. Balanced Housing Development.** - The Program shall
9 include a system to be specified in the Framework plan whereby OWNERS
10 AND/OR developers of proposed subdivision AND CONDOMINIUM projects

1 shall be required to develop an area for socialized housing equivalent to at
2 least twenty percent (20%) of the total subdivision OR CONDOMINIUM area
3 or total subdivision OR CONDOMINIUM project cost, at the option of the
4 developer, within the same city or municipality, whenever feasible, and in
5 accordance with the standards set by the Housing and Land Use Regulatory
6 Board and other existing laws[.]: PROVIDED, THAT OWNERS AND/OR
7 DEVELOPERS OF PROPOSED SOCIALIZED HOUSING SUBDIVISION PROJECTS
8 AND OWNERS AND/OR DEVELOPERS OF PROPOSED CONDOMINIUM
9 PROJECTS TO BE SOLD AT SOCIALIZED HOUSING PRICES SHALL BE EXEMPT
10 THEREFROM. The balanced housing development as herein required may also
11 be complied with by the OWNERS AND/OR developers concerned in any of
12 the following manner:

- 13 a) Development of new settlement;
- 14 b) Slum upgrading or renewal of areas for priority development either
15 through zonal improvement programs or slum improvement and
16 resettlement programs;
- 17 c) Joint-venture projects FOR SOCIALIZED HOUSING with either the
18 local government units or any of the housing agencies [;] or WITH
19 ANOTHER PRIVATE DEVELOPER, PROVIDED THAT, THE OWNER
20 AND/OR DEVELOPER OF THE MAIN SUBDIVISION OR CONDOMINIUM
21 PROJECT SHALL BE SOLIDARILY LIABLE WITH THE OWNER AND/OR
22 DEVELOPER OF THE SOCIALIZED HOUSING PROJECT FOR THE
23 DEVELOPMENT OF THE LATTER, IRRESPECTIVE OF THE PROVISIONS OF
24 THEIR JOINT VENTURE AGREEMENT;
- 25 d) Participation in the community mortgage program, EITHER AS
26 FINANCIER OR DEVELOPER. [;] OR

1 E) DEVELOPMENT OF EDUCATION FACILITIES WITHIN THE PROJECT,

2 WHENEVER FEASIBLE, OR WITHIN THE CITY OR MUNICIPALITY,

3 WHEREVER FEASIBLE, IN ACCORDANCE WITH SECTION 21 HEREOF.

4 NO OTHER FORM OF COMPLIANCE TO THIS SECTION MAY BE
5 PRESCRIBED EXCEPT THROUGH THE ENACTMENT OF A SUBSEQUENT LAW.

6 FURTHERMORE, NO SUBDIVISION PLAN SHALL BE APPROVED BY ANY
7 LOCAL GOVERNMENT UNIT OR GOVERNMENT AGENCY UNLESS THE SAME IS
8 ACCOMPANIED BY A WRITTEN UNDERTAKING, MADE UNDER OATH, BY THE
9 OWNER AND/OR DEVELOPER, SETTING FORTH IN DETAIL THE MANNER IN
10 WHICH COMPLIANCE WITH THIS SECTION IS PROPOSED."

11 (b) Section 21 of R.A. 7279 is hereby amended to read as follows:

12 "SEC. 21. *Basic Services*. - Socialized housing or resettlement areas shall be
13 provided by the local government unit or the National Housing Authority in
14 cooperation with the private OWNERS AND/OR developers and concerned agencies
15 with the following basic services and facilities:

16 a) Potable water;

17 b) Power and electricity and an adequate power distribution system;

18 c) Sewerage facilities and an efficient and adequate solid waste disposal
19 system; and

20 d) Access to primary roads and transportation facilities.

21 The provision of other basic services and facilities such as health, education,
22 communication, security, recreation relief and welfare shall be planned and shall be
23 given priority for implementation by the local government unit and concerned
24 agencies in cooperation with the private sector and the beneficiaries themselves[.];

25 PROVIDED, THAT THE PROVISION OF EDUCATION FACILITIES BY AN OWNER AND/OR

1 A DEVELOPER IN SOCIALIZED HOUSING AREAS PURSUANT TO SECTION 18 (E)
2 HEREOF SHALL BE ACCORDED A HIGH PRIORITY.

3 The local government unit, in coordination with the concerned national
4 agencies, shall ensure that these basic services are provided at the most cost-
5 efficient rates, and shall set a mechanism to coordinate operationally the thrusts;
6 objectives and activities of other government agencies concerned with providing
7 basic services to housing projects."

8 (c) Section 45 of R.A. 7279 is hereby amended to read as follows:

9 "SEC. 45. *Penalty Clause.* Any person who violates any provision of this Act
10 shall be imposed the penalty of not more than six (6) years of imprisonment or a
11 fine of not less than Five thousand pesos (P5,000) but not more than One hundred
12 thousand pesos (P100,000), or both, at the discretion of the court: *PROVIDED, THAT,*
13 *ANY PERSON WHO VIOLATES THE PROVISION OF SECTION 18 HEREOF SHALL BE*
14 *IMPOSED A PENALTY OF NOT MORE THAN SIX (6) YEARS OF IMPRISONMENT OR A*
15 *FINE OF NOT LESS THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00) BUT NOT*
16 *MORE THAN TEN MILLION PESOS (P10,000,000.00), OR BOTH, AT THE DISCRETION*
17 *OF THE COURT FOR THE FIRST OFFENSE AND CANCELLATION OF LICENSE TO DO*
18 *BUSINESS FOR THE SECOND OFFENSE: Provided FURTHER, That, if the offender is a*
19 *corporation, partnership, association or juridical entity, the penalty shall be imposed*
20 *on the officer or officers of said corporation, partnership, association or juridical*
21 *entity who caused the violation."*

22 **SEC. 3. *Implementing Rules and Regulations.*** - Within sixty (60) days from the effectivity of
23 this Act, the Housing and Land Use Regulatory Board shall promulgate a new set of Implementing
24 Rules and Regulations for the amended Sections 18, 21 and 45 of Republic Act No. 7279, consistent
25 with the parameters and standards set forth in said sections. Non-government organizations and

1 people's organizations involved in housing rights and urban poor advocacy, as well as the private
2 sector, shall be consulted in the process of drafting these implementing rules.

3 **SEC. 4. *Separability Clause.*** - If for any reason, any provision of this Act is declared invalid or
4 unconstitutional, the remaining provisions not affected thereby shall continue to be in force and
5 effect.

6 **SEC. 5. *Repealing Clause.*** - All laws, decrees, executive orders, proclamations, rules and
7 regulations, and other issuances, or part or parts thereof, which are inconsistent with the provisions
8 of this Act are hereby repealed or modified accordingly.

9 **SEC. 6. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after the completion of
10 its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

11 Approved.

FACT SHEET

House Bill No. 5446

(As Approved by the Committee on October 12, 2011)

**BALANCED HOUSING DEVELOPMENT PROGRAM
AMENDMENT OF 2011**

*Introduced by: REPS, HERRERA-DY, TEODORO, MERCADO-REVILLA, BELLO, BAG-AO,
VALENCIA, LAZATIN, CASTELO, LEONEN-PIZARRO, OLIVARES, ALCALA, TINGA,
PALMONES, TY, LICO, DE JESUS, SARMIENTO and LAPUS*

*Committee Referral: COMMITTEE ON HOUSING AND URBAN DEVELOPMENT
Committee Chairperson: REP. RODOLFO G. VALENCIA*

OBJECTIVES:

- To accelerate the provision of affordable socialized housing nationwide and provide underprivileged and homeless Filipinos the opportunity to own a home by including the owners and developers of condominium projects in the production of socialized housing projects
- To include the development of education facilities within the project or within the city or municipality as a mode of compliance

KEY PROVISIONS:

- Includes in the coverage of Section 18 of Republic Act (R.A.) No. 7279 condominium projects whose owners or developers shall be required to develop an area for socialized housing equivalent to at least 20% of the total condominium area or condominium cost
- Exempts owners and/or developers of proposed socialized housing subdivision and condominium projects from the coverage of this Act
- Allows developers covered by this Act to engage in a joint-venture project with another private developer both of whom shall be solidarily liable in the production of the socialized housing in compliance with the balanced housing requirement regardless of the provisions of their joint-venture agreement
- Includes the development of education facilities within the project, city or municipality as a mode of compliance with the balanced housing requirement

- Amends Section 45 of R.A. 7279 to include a provision that penalizes any person who violates the provision of Section 18 with imprisonment of not more than six (6) years 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)

RELATED LAWS:

- Republic Act No. 7279 – Urban Development and Housing Act
- Republic Act No. 4726 - Condominium Act