

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No. 1290



Introduced by **Honorable Neptali M. Gonzales II**

EXPLANATORY NOTE

Article XIII, Sec. 9 of the 1987 Constitution on Social Justice and Human Rights directs the State to undertake a continuing program of urban land reform and housing that will provide inexpensive but decent housing and basic services to homeless Filipinos in urban and resettlement areas.

In fulfillment of this constitutional mandate, Congress enacted RA 7279, otherwise known as the Urban Development and Housing Act of 1992. This law provided for the rehabilitation and development of blighted and slum areas and resettlement only if on-site development is not feasible. Section 26 of RA 7279 emphasized that "on-site development shall be implemented whenever possible in order to ensure minimum movement of occupant of blighted lands and slum areas."

Subsequent, RA 9397 was enacted amending the Urban Development and Housing Act of 1992. The approval of RA 9397 addressed the need of the organized urban poor in lands owned by the national government, local government units, government agencies and instrumentalities for security in land tenure and ownership by allowing purchase thereof via direct negotiated sale to occupants without need of public bidding subject to several conditions.

Since the early 2000s, occupants-informal settlers in Welfareville, Mandaluyong, have organized themselves in their bid for a chance to purchase the lots they have resided in for so many years. The Welfareville property in Mandaluyong City was set aside by the government in 1925 for the establishment of welfare institutions. It consists of approximately 80 hectares of land portions of which are occupied by informal settlers. When RA 9397 became effective in 2007, organized Welfareville residents petitioned the Mandaluyong local government and the Office of the President for a chance to acquire by purchase through installment the lots on which their houses stand on. A stumbling block however to this aspiration is Republic Act 5260 entitled, "An Act Authorizing a Committee Composed of the Administrator of the Social Welfare Administration, the Auditor General and the Secretary of the Department of General Services to sell the

Welfareville Property located in the Municipality of Mandaluyong, Province of Rizal, and for other Purposes." RA 5260 requires the sale of the Welfareville Property be conducted through public bidding.

This bill seeks to amend RA 5260 by allowing the sale of the Welfareville property, except the areas occupied by the National Center for Mental Health and the Correctional Institute for Women, by direct negotiated sale to the organized and residents therein and without public bidding. The bill if enacted into law will not contradict the intent and purpose of RA 5260 which is utilize the proceeds of the sale of Welfareville for the establishment of children's home institutions and provision of community services for children. The bill is consistent with RA 9397 which allows direct negotiated sale without public bidding to actual occupants lands owned by the government. Moreover, the bill ensures the minimum movement of informal settlers and least disturbance of their rights pursuant to the mandate of 1987 constitution and the Urban Development and Housing Act of 1992.

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



NEPTALI M. GONZALES II

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No. 1290

Introduced by **Honorable Neptali M. Gonzales II**

AN ACT
DECLARING CERTAIN PORTIONS OF THE WELFAREVILLE PROPERTY
LOCATED IN THE CITY OF MANDALUYONG OPEN FOR DISPOSITION TO
BONA FIDE RESIDENTS WITHOUT PUBLIC BIDDING AND FOR OTHER
PURPOSES

1 SECTION 1. *Declaration of Policy.* – It is hereby declared the policy of the
2 State to secure the land tenure of the urban poor. Pursuant to Sections 9 and 10
3 of Article XIII of the 1987 Constitution and the Urban Development and
4 Housing Act of 1992, certain portions of the Welfareville property owned by the
5 national government in the City of Mandaluyong shall be utilized for socialized
6 housing.

7 SEC. 2. *Direct Negotiated Sale Without Public Bidding of the Welfareville*
8 *Property.* – The Welfareville property, except the areas occupied by the
9 National Center for Mental Health (NCMH) and the Correctional Institute for
10 Women (CIW), is hereby declared disposable and alienable and shall be sold
11 through direct negotiated sale to *bona fide* residents therein without public
12 bidding: *Provided*, That the determination of *bona fide* residents shall be based
13 on the census verification survey conducted by the Welfareville Commission of
14 the Local Government of the City of Mandaluyong in 2003: *Provided, further*,
15 That persons and/or families who are included in the 2003 survey but are

1 residing or who own residential structures within the NCMH and CIW areas
2 shall be allowed to buy lots within the disposable portion of the Welfareville
3 property: *Provided, finally*, That a nonnegotiable condition of the sale to *bona*
4 *fide* residents therein shall be annotated on their titles to the effect that, except
5 for testate or intestate succession, the residents cannot assign, sell, convey or
6 dispose of their rights to any party within a period of twenty (20) years from the
7 date of purchase.

8 SEC. 3. *Trustee Committee.* – There is hereby created a Trustee Committee
9 to be composed of the Secretary of the Department of Social Welfare and
10 Development as the Chairperson, the Chairperson of the Commission on
11 Audit, the Chairperson of the Presidential Commission for the Urban Poor, the
12 Representative of the Lone District of the City of Mandaluyong, the Mayor of
13 the City of Mandaluyong, the Chairperson of the Housing and Urban
14 Development Coordinating Council, the Secretary of the Department of
15 Environment and Natural Resources and two (2) representatives from the duly
16 recognized people's organizations, as members thereof. The representatives of
17 the duly recognized people's organizations shall be appointed by the
18 Chairperson of the Trustee Committee upon the recommendation of the
19 organization they represent.

20 SEC. 4. *Powers and Functions of the Trustee Committee.* – The Trustee
21 Committee shall have the following powers and functions:

- 22 (a) To supervise the sale of the Welfareville properties, except the
23 areas occupied by the NCMH and CIW;
24 (b) To draft a schedule to arrange for the procedure of the sale;

1 (c) To determine the *bona fide* residents based on the census
2 verification survey conducted by the Welfareville Commission of the
3 Local Government of the City of Mandaluyong in 2003; and

4 (d) To administer the proceeds of the sale and its utilization.

5 SEC. 5. *Implementing Rules and Regulations.* – The Trustee Committee shall
6 formulate and promulgate the rules and regulations to effectively implement the
7 provisions of this Act sixty (60) days from the effectivity of this Act.

8 SEC. 6. *Tax Exemption.* – All lands that will be disposed and/or sold
9 pursuant to this Act shall be exempted from the payment of Capital Gains Tax.

10 SEC. 7. *Appropriations.* – The amount necessary for the operations of the
11 Trustee Committee shall be included in the budget of the Department of Social
12 Welfare and Development in the annual General Appropriations Act.

13 SEC. 8. *Repealing Clause.* – Section 1 of Republic Act No. 5260 and all laws,
14 decrees, orders, rules and regulations, issuances or parts thereof which are
15 inconsistent with any of the provisions of this Act are hereby repealed, amended or
16 modified accordingly.

17 SEC. 9. *Separability Clause.* – If any provision of this Act is declared invalid
18 or unconstitutional, the remaining provisions not affected thereby shall continue
19 to be in full force and effect.

20 SEC. 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its
21 publication in the *Official Gazette* or in at least two (2) newspapers of general
22 circulation.

23 Approved,