

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **1484**



Introduced by HONORABLE LANI MERCADO- REVILLA

EXPLANATORY NOTE

The Constitution, Article XIII, Section 9 states:

“SEC. 9. 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 centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners.”

When R.A. No. 7279 otherwise known as the “Urban Development and Housing Act of 1992” was enacted into law, many underprivileged and homeless Filipinos in urban areas thought they can acquire decent housing at affordable cost. However, the demand for housing continues to grow. According to a 2008 United Nations Committee on Economic, Social and Cultural Rights study, about “16.5 million Filipinos, roughly 30 percent of the urban population, continues to live in informal settlements and slums, sometimes built on riverbanks, railroad tracks and other high-risk areas, with no or limited basic infrastructures and services, without legal security of tenure and under constant threat of eviction.”

In Metro Manila alone, an estimated 544,609 families live in informal settlements. Of these, around 54,000 families live in danger areas.

This bill seeks to address the housing shortage by including the owners and developers of condominium projects in the production of socialized housing projects by requiring them to allocate 20 percent of the total condominium project cost for socialized housing. It also mandates owners and developers of subdivision projects to set aside 20 percent of the total subdivision project cost for socialized housing instead of allowing them another option, which is to devote 20 percent of the total subdivision area for socialized housing. In so doing, owners and developers of condominium projects will contribute its share in the development of counterpart socialized housing projects in urban areas as they continue to reap huge profits from their continuous production of condominium projects in urban areas where there is a huge demand for housing and employment. Further, it will make it easier for owners and developers to comply with the law by encouraging joint ventures not only with the National Housing Authority and the Home Guaranty Corporation but also between and among the private developers. Lastly, it will be easier for government agencies to monitor the compliance of owners and developers in producing socialized housing projects in urban areas.

Hence, approval of this bill is earnestly sought.


REP. LANI MERCADO-REVILLA
2nd District, Cavite

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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:

SECTION 1. Short Title. – This Act shall be known as the "Balanced Housing Development Program Amendment of 2013".

SEC. 2. Amendatory Provisions. – For purposes of this Act, the following provisions 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", are hereby amended:

(a) Section 18 of Republic Act No. 7279 is hereby amended to read as follows:

"SEC. 18. *Balanced Housing Development.* – The Program shall include a system to be specified in the Framework plan whereby **OWNERS AND/OR** developers of proposed subdivision **AND CONDOMINIUM** projects shall be required to develop an area for socialized housing equivalent to at least twenty percent (20%) of the total subdivision **OR CONDOMINIUM** area or total subdivision **OR 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[.]: **PROVIDED, THAT OWNERS AND/OR DEVELOPERS OF PROPOSED SOCIALIZED HOUSING SUBDIVISION PROJECTS AND OWNERS AND/OR DEVELOPERS OF PROPOSED CONDOMINIUM PROJECTS TO BE SOLD AT SOCIALIZED HOUSING PRICES SHALL BE EXEMPT THEREFROM.** The balanced housing development as herein required may also be complied with by the **OWNERS AND/OR** 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 **FOR SOCIALIZED HOUSING**

with either the local government units or any of the housing agencies[;]
or WITH ANOTHER PRIVATE DEVELOPER: PROVIDED,
THAT, THE OWNER AND/OR DEVELOPER OF THE MAIN
SUBDIVISION OR CONDOMINIUM PROJECT SHALL BE
SOLIDARILY LIABLE WITH THE OWNER AND/OR
DEVELOPER OF THE SOCIALIZED HOUSING PROJECT FOR
THE DEVELOPMENT OF THE LATTER, IRRESPECTIVE OF
THE PROVISIONS OF THEIR JOINT VENTURE AGREEMENT;

“(d) Participation in the community mortgage program[.],
EITHER AS FINANCIER OR DEVELOPER;

“(E) INVESTMENT IN LONG-TERM RESETTLEMENT
HOUSING BONDS; OR

“(F) DEVELOPMENT OF EDUCATION FACILITIES
WITHIN THE PROJECT, WHENEVER FEASIBLE, OR WITHIN
THE CITY OR MUNICIPALITY, WHEREVER FEASIBLE, IN
ACCORDANCE WITH SECTION 21 HEREOF.

“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 GOVERNMENT UNIT OR
GOVERNMENT AGENCY UNLESS THE SAME IS
ACCOMPANIED BY A WRITTEN UNDERTAKING, MADE
UNDER OATH, BY THE OWNER AND/OR DEVELOPER,
SETTING FORTH IN DETAIL THE MANNER IN WHICH
COMPLIANCE WITH THIS SECTION IS PROPOSED.”

(b) Section 21 of Republic Act No. 7279 is hereby amended to read as follows:

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

“(a) Potable water;

“(b) Power and electricity and an adequate power distribution
system;

“(c) Sewerage facilities and an efficient and adequate solid waste
disposal system; and

“(d) Access to primary roads and transportation facilities.

“The provision of other basic services and facilities such as
health, education, communications, security, recreation, relief and
welfare shall be planned and shall be given priority for implementation
by the local government unit and concerned agencies in cooperation
with the private sector and the beneficiaries themselves[.]: **PROVIDED,**
THAT THE PROVISION OF EDUCATION FACILITIES BY AN
OWNER AND/OR A DEVELOPER IN SOCIALIZED HOUSING
AREAS PURSUANT TO SECTION 18(F) HEREOF SHALL BE
ACCORDED A HIGH PRIORITY.

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

(c) Section 45 of Republic Act No. 7279 is hereby amended to read as follows:

“SEC. 45. Penalty Clause. – Any person who violates any provision of this Act shall be imposed the penalty of not more than six (6) years of imprisonment or a fine of not less than Five thousand pesos (P5,000) but not more than One hundred thousand pesos (P100,000), or both, at the discretion of the court: **PROVIDED, THAT, ANY PERSON WHO VIOLATES THE PROVISION OF SECTION 18 HEREOF 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) BUT NOT MORE THAN TEN MILLION PESOS (P10,000,000), OR BOTH, AT THE DISCRETION OF THE COURT FOR THE FIRST OFFENSE AND CANCELLATION OF LICENSE TO DO BUSINESS FOR THE SECOND OFFENSE:** Provided, **FURTHER,** That, if the offender is a corporation, partnership, association or other juridical entity, the penalty shall be imposed on the officer or officers of said corporation, partnership, association or juridical entity who caused the violation.”

SEC. 3. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the Housing and Land Use Regulatory Board shall promulgate a new set of implementing rules and regulations for the amended Sections 18, 21 and 45 of Republic Act No. 7279, consistent with the parameters and standards set forth in said sections. Nongovernment 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 and regulations.

SEC. 4. 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.

SEC. 5. Repealing Clause. – 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.

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

Approved,