

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

Sixteenth Congress
First Regular Session

House Bill No. **2576**



Introduced by AKBAYAN Representatives
Ibarra M. Gutierrez III and Walden F. Bello

EXPLANATORY NOTE

This bill is an updated version of House Bill No. 5446 filed by Representatives Bag-ao, Bello, Castello, De Jesus, Herrera-Dy, Lapus, Lazatin, Olivarez, Palmones, Mercado-Revilla, Leonen-Rizarro, Sarmiento, Tinga, Ty and Valencia in the Fifteenth Congress.

Article XIII, Section 9 of the Philippine Constitution expressly mandates that the State shall, by law, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing so that decent housing and basic social services will be made available at affordable cost 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 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. 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 RA 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.

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



IBARRA M. GUTIERREZ III



WALDEN F. BELLO

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**AN ACT STRENGTHENING THE BALANCED HOUSING
DEVELOPMENT PROGRAM,
AMENDING FOR THAT PURPOSE REPUBLIC ACT NO. 7279, AS
AMENDED BY REPUBLIC ACT NO. 9397, OTHERWISE KNOWN AS THE
URBAN DEVELOPMENT AND HOUSING ACT OF 1992**

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

1 **SECTION 1. *Title.*** - This Act shall be known as the “*Balanced Housing Development*
2 *Program Amendment of 2013.*”

3
4 **SECTION 2. *Amendatory Provisions.***—

5
6 (a) Section 18 of Republic Act No. 7279, as amended by Republic Act 9397,
7 otherwise known as the Urban Development and Housing Act of 1992, is hereby
8 amended to read as follows:

9
10 “*Section 18. Balanced Housing Development.*—The Program
11 shall include a system to be specified in the Framework
12 Plan whereby owners and/or developers of proposed
13 subdivision and condominium projects shall be
14 mandatorily required to develop an area for socialized

1 housing equivalent to at least twenty percent (20%) of the
2 total subdivision or condominium area or total subdivision
3 or condominium project cost, at the option of the
4 developer, within the same city or municipality, and in
5 accordance with the standards set by the Housing and
6 Land Use Regulatory Board (HLURB), and existing laws:
7 Provided, That owners and/or developers of proposed
8 socialized housing subdivision projects and owners and/or
9 developers of proposed condominium projects which will
10 be sold at socialized housing prices shall be exempt from
11 the requirement herein.

12
13 The owners and/or developers concerned may comply
14 with the Balanced Housing Development as herein
15 required through the following:

- 16
17 a) Development of new settlement;
- 18
19 b) Slum upgrading or renewal of areas for priority
20 development either through zonal improvement
21 programs or slum improvement and resettlement
22 programs; or
- 23
24 c) Joint-venture projects for socialized housing with
25 either the local government unit, housing agency or with
26 another private developer: Provided, That, in case of the
27 latter, the owner and/or developer of the main
28 subdivision or condominium project shall be solidarily
29 liable with the owner and/or developer of the socialized
30 housing project for the development of the latter,
31 notwithstanding the provisions of the joint venture
32 agreement between the owner and/or developer and the
33 private developer.
- 34

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

4
5 Furthermore, no subdivision plan shall be approved by any
6 local government unit or government agency unless the
7 same is accompanied by a written undertaking, made
8 under oath, by the owner and/or developer, setting forth
9 in detail the manner in which compliance with this Section
10 is proposed.”

11
12 (b) Section 21 of Republic Act No. 7279, as amended by Republic Act 9397,
13 otherwise known as the Urban Development and Housing Act of 1992, is hereby
14 amended to read as follows:

15
16 “*Section 21. Basic Services.*—Socialized housing or
17 resettlement areas shall be provided by the local
18 government unit or the National Housing Authority, in
19 cooperation with the private owners and/or developers,
20 and concerned agencies with the following basic services
21 and facilities:

22
23 a) Potable water;

24
25 b) Power and electricity and an adequate power
26 distribution system;

27
28 c) Sewerage facilities and an efficient and adequate solid
29 waste disposal system; and

30
31 d) Access to primary roads and transportation facilities.

32
33 The provision of other basic services and facilities, such as
34 health, education, communication, security, recreation

1 relief, and welfare, shall be planned and shall be given
2 priority for implementation by the local government unit
3 and concerned agencies in cooperation with the private
4 sector and the beneficiaries themselves.

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

- 13
14 (c) Section 45 of Republic Act No. 7279, as amended by Republic Act 9397,
15 otherwise known as the Urban Development and Housing Act of 1992, is hereby
16 amended to read as follows:

17
18 “*Section 45. Penalty Clause.*—Any person who violates any
19 provision of this Act shall be imposed the penalty of not
20 more than six (6) years of imprisonment or a fine of not
21 less than five thousand pesos (Php 5,000.00) but not
22 more than one hundred thousand pesos (Php
23 100,000.00), or both, at the discretion of the court:
24 Provided, That, any person who violates the provision of
25 Section 18 hereof shall be imposed a penalty of not more
26 than six (6) years of imprisonment or a fine of not less
27 than five hundred thousand pesos (Php 500,000.00) but
28 not more than ten million pesos (Php 10,000,000.00), or
29 both, at the discretion of the court for the first offense
30 and cancellation of license to do business for the second
31 offense: *Provided, further,* That, if the offender is a
32 corporation, partnership, association or juridical entity,
33 the penalty shall be imposed on the officer or officers of
34 said corporation, partnership, association or juridical

entity who caused the violation.”

SECTION 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. 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 and regulations.

SECTION 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.

SECTION 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.

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

Approved,