

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 2687



Introduced by REP. JOSE CHRISTOPHER Y. BELMONTE

EXPLANATORY NOTE

The Quezon City Sanggunian Panglunsod had good intentions of establishing a continuing mechanism for urban land reform and housing that makes accessible at affordable cost decent housing and basic services to informal settlers within its jurisdiction. Its local officials aimed to banish the images of Payatas' garbage mountains and of Quezon City as the "Squatter Capital" of Metro Manila. They dreamed of a bustling and 'green' Quezon City with a business district to rival that of any other premier city but still retaining its verdant parks, middle-class residential enclaves and wide avenues.

Thus, the Quezon City Housing and Urban Renewal Authority was created under Ordinance No. SP-1236 series of 2003. Three months after, QC-HURA was also registered with the Securities and Exchange Commission. The QC government infused an initial capital of P100 Million in 2004 and another P60 Million in the next succeeding years. However, the findings of the Commission of Audit (COA) show a legal defect in the creation of the QC-HURA. The COA finding is anchored on a 2004 Supreme Court (SC) decision in the case of *Engr. Ramulfo C. Feliciano, as General Manager of the Leyte Metropolitan Water District (LMWD) V. Commission On Audit (COA) G. R. No. 147402*. The SC speaking through its *ponente*, Justice Carpio, ruled that 'the Local Government Code does not vest in the Sanggunian Bayan the power to create corporations.' The COA maintained its firm stand that the creation of the QC-HURA by ordinance is contrary to Section 16, Article XII of the 1987 Constitution and reiterated their advice to QC officials to make representations with the House of Representatives for the enactment of a special charter for QC-HURA.

While it may be argued that the existing QC-HURA duly registered with the SEC can legally operate as a private corporation wherein government has a controlling interest, there is still a need for a law creating the QC-HURA as a GOCC to dispel any legal doubts on the matter. There is also the issue of what happens to the existing QC-HURA registered with the SEC and created by the ordinance. Once the QC-HURA is created by virtue of a legislated special charter, it can then acquire the shares of stock of the existing QC-HURA. The existing QC-HURA would then be a fully owned subsidiary of the new QC-HURA and shed off its private status.

Consonant with the mandate enunciated in Article XIII, Section 1 of the Philippine Constitution granting highest priority to enactment of social justice measures to uphold human dignity and reduce social, economic and political inequalities, the swift enactment of this bill is earnestly requested.

A handwritten signature in dark ink, appearing to read 'JC Belmonte', with a stylized, cursive script.

JOSE CHRISTOPHER Y. BELMONTE

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12

13 **AN ACT**
14 **CREATING THE QUEZON CITY HOUSING AND URBAN RENEWAL**
15 **AUTHORITY (QC-HURA), DEFINING ITS POWERS AND FUNCTIONS,**
16 **PROVIDING FOR ITS ORGANIZATIONAL STRUCTURE AND**
17 **CAPITALIZATION AND FOR OTHER PURPOSES**
18

19 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
20 *Congress assembled:*
21

22 SECTION 1. *Short Title.* - This Act shall be known as the “Charter of the
23 Quezon City Housing and Urban Renewal Authority”.
24

25 SEC. 2. *Declaration of Policy.* - The State shall undertake, in cooperation
26 with the private sector, a continuing program of urban land reform and housing
27 that makes available affordable and decent housing as well as basic services to
28 underprivileged and homeless citizens.
29

30 The planning and implementation of low-cost housing programs and
31 projects, and the delivery of basic services for marginal and low-income families
32 shall be fully devolved to local governments, for which purpose they are entitled to
33 a share in national funds and funding support from other government agencies
34 tasked by law to provide such services and facilities.
35

36 The State therefore upholds local autonomy and the decentralization to the
37 Quezon City government in the implementation of low-cost housing programs and
38 urban renewal projects for marginal and low-income families under its jurisdiction.
39

1 SEC. 3. **Creation.** - There is hereby created a local government corporation
2 to be known as the Quezon City Housing and Urban Renewal Authority, otherwise
3 known as QC-HURA. It shall have its principal office at the Quezon City Hall.
4

5 The QC-HURA shall exist for a period of fifty (50) years which shall be
6 extendible by Congress in accordance with the Corporation Code of the
7 Philippines.
8

9 SEC. 4. **Definition of Terms.** - For the purposes of this Act, the following
10 shall mean and be construed as follows:
11

12 a) “Areas for priority development” refer to those areas declared as such
13 under existing statutes, ordinances, and pertinent executive issuances;
14

15 b) “Blighted urban communities” refer to the areas where the structures
16 are dilapidated, obsolete and unsanitary, tending to depreciate the value of the land
17 and prevent normal development and use of the area;
18

19 c) “Consultation” refer to the constitutionally mandated process whereby
20 the public, on their own or through people’s organizations, is provided an
21 opportunity to be heard and to participate in the decision-making process on
22 matters involving the protection and promotion of its legitimate collective interest,
23 which shall include appropriate documentation and feedback mechanisms;
24

25 d) “Idle lands” refers to non-agricultural lands in urban and urbanized
26 areas on which no improvements, as herein defined, have been made by the owner,
27 as certified by the City Assessor;
28

29 e) “Improvements” refer to all types of buildings and residential units,
30 walls, fences, structures and constructions of all kinds of a fixed character or which
31 are adhered to the soil but shall not include trees, plants and growing fruits except
32 for urban community vegetable and fruit gardens maintained by existing
33 homeowner or neighborhood associations, the barangay and the landowner
34 himself or his authorized representative;
35

36 f) “On-site development” refers to the process of upgrading and
37 rehabilitation of blighted urban areas with a view of minimizing displacement of
38 dwellers in said areas, and with provisions for basic services;
39

1 g) “Resettlement Areas” refer to areas identified by the local government
2 unit which shall be used for the relocation of the unprivileged and homeless
3 families;
4

5 h) “Socialized Housing” refers to the housing programs and projects
6 covering houses and lots or homelots only undertaken by the government or the
7 private sector for the underprivileged and homeless citizens which shall include
8 sites and services development, long term financing, liberalized terms on interest
9 payments, and such other benefits in accordance with the provisions of Republic
10 Act 7279;
11

12 i) “Marginal and low-income families” refer to individuals or families
13 residing in urban and urbanized areas whose income or combined household
14 income falls within the poverty threshold as defined by the National Economic and
15 Development Authority and who do not own any housing facilities or homelot.
16 This shall include those who live in makeshift dwelling units and do not enjoy
17 security of tenure;
18

19 j) “Monitoring” refers to the collection, analysis, reporting and use of
20 information about the progress of resettlement and it focuses on physical and
21 financial targets and the delivery of entitlements to people;
22

23 k) “Professional Squatters” refer to individuals or group who occupy
24 lands without the express consent of the landowner and who have sufficient
25 income for legitimate housing. The term also apply to persons who have previously
26 been awarded homelots or housing units by government but who sold, leased or
27 transferred the same to settle illegally in the same place or in another urban area
28 and non-bonafide occupants and intruders of land reserved for socialized housing.
29 The term shall not apply to individuals or group who simply rent land and housing
30 from professional squatters or squatting syndicates;
31

32 **SEC. 5. Purpose and Objectives.** - The QC-HURA shall have the following
33 purposes and objectives:
34

35 a) Make available adequate and affordable housing to marginal and low-
36 income families in Quezon City;
37

38 b) Upgrade, renew or redevelop slums and other blighted urban
39 communities, develop resettlement sites whether in-city or outside Quezon City

1 with due consideration to ecological balance and in general, enhance and promote
2 urban development in Quezon City;

3
4 c) Formulate and implement the recommendations of the Quezon City
5 Local Housing Board within the capacity and feasibility coordinates of QC-
6 HURA;

7
8 d) Harness and promote the participation of the private sector in housing
9 ventures and urban renewal;

10
11 e) Plan, implement and monitor urban renewal programs in coordination
12 with the Environmental Management Bureau to protect and conserve unique, vital
13 and sensitive ecosystems, watershed areas, scenic landscapes, cultural sites and
14 provide resources in terms of capital expenditures, lands, expertise, financing and
15 other facilities for the sustained growth of Quezon City;

16
17 f) Cause the greening and development of vacant, blighted and under-
18 utilized lands in Quezon City owned by the local government;

19
20 g) Own land, buildings, estates and other forms of real property
21 transferred to it or it may acquire in the future;

22
23 h) Develop, improve, administer, subdivide or lease any and all kinds of
24 land, building, estates and other forms of real property turned over to QC-HURA
25 by the national and Quezon City government.

26
27 **SEC. 6. Capitalization and Funding.** - The QC-HURA shall have an
28 authorized capital of One Billion Pesos (Php1, 000,000,000.00) which shall be
29 initially subscribed by the Quezon City government. Subscription may be made as
30 follows:

31
32 a) One Hundred Million Pesos (Php100,000,000.00) in cash upon
33 effectivity of this Act;

34
35 b) The equivalent sum of Two Hundred Million Pesos (Php200,000,000.00)
36 in terms of properties to be conveyed by the city government to QC-HURA within
37 two years after the effectivity of this Act.

38
39 Provided, that in no time shall the shares of stock held and owned by the
40 Quezon City government be less than one hundred percent (100%) of the

1 outstanding shares of QC-HURA; that the Quezon City Mayor shall have the
2 authority to vote the share of stocks of QC-HURA as the local chief executive.

3
4 **SEC. 7. Powers and Functions of QC-HURA.** - The QC-HURA shall have
5 the following powers and functions to be exercised by the Board in accordance
6 with established urban development and housing plan prepared by the Quezon City
7 government:

8
9 a) Develop and implement a comprehensive and integrated housing and
10 urban renewal program for Quezon City;

11
12 b) Purchase, develop, build, alter, construct, erect, enlarge, occupy,
13 manage, or otherwise, deal in land and buildings of every kind and character
14 whatsoever, whether belonging to or to be acquired by the QC-HURA, subject to
15 the approval of the City Council;

16
17 c) Invest its funds as it may deem proper, in bonds and securities issued
18 and guaranteed by the city government or by the Bangko Sentral ng Pilipinas;

19
20 d) Promote housing development by providing technical assistance to
21 any related development project;

22
23 e) Receive donations, grants and bequest and utilize the same for the
24 resettlement of displaced families and development of socialized housing;

25
26 f) Enter into joint ventures, accept investments, enter into partnerships,
27 and perform such other acts necessary to effect the policies and achieve the
28 objectives herein declared.

29
30 **SEC. 8. Board of Directors.** - The QC-HURA shall be governed by a Board
31 of Directors, hereinafter referred to as the "Board", which shall be composed of
32 seven (7) members who shall be the following:

33
34 a) The incumbent Quezon City Mayor as Chairman;

35
36 b) Two (2) representatives from the City Council (to be nominated and
37 elected by the Majority and minority group);

38
39 c) One (1) representative from the Quezon City Local Housing Board (to
40 be nominated by the Local Housing Board members themselves);

1
2 d) Two (2) representatives, both bona fide residents of Quezon City, to
3 be appointed by the Mayor one of whom should be nominated by the QC CREBA
4 and the other nominated by the federation of Quezon City Homeowners'
5 Associations or Kapitbahayans preferably those from the low-cost, socialized
6 housing projects; and
7

8 e) One (1) representative from the City Development Council (to be
9 elected by the officers of the City Development Council) as members.
10

11 The Board shall elect a presiding officer in the absence of the Chairman.
12

13 The QC-HURA, upon the recommendation of the Quezon City Mayor and
14 approved by the Board shall appoint a General Manager from a list of three (3)
15 nominees. The nominees for General Manager must possess either CSEE or CESO
16 eligibility or a post graduate degree related to Urban and Environmental Planning
17 and must be a recognized authority on housing or related field.
18

19 The General Manager shall be the Chief Executive Officer of QC-HURA
20 and shall be entitled to receive a salary to be determined by the Board and shall
21 serve for a fixed term of three (3) years, unless sooner removed by the Board for
22 cause.
23

24 The members of the Board may receive per diems per meeting actually
25 attended at such amount to be fixed by the Board but not to exceed Four Thousand
26 Pesos (Php 4,000.00) per meeting.
27

28 The Board shall meet regularly at least once a month, but special meetings
29 may be called either by the Chairman or by Four (4) members of the Board, as and
30 when necessary. Four (4) members of the Board shall constitute a quorum and any
31 approval of business shall require the concurrence of at least four (4) members,
32 except those powers provided under (g) and (h) of Section 5 hereof which requires
33 a concurrence of at least five (5) members.
34

35 The Board may hire from time to time up to a maximum of two (2)
36 consultants from the private sector who are known professionals in the housing
37 industry with proven track record and shall be entitled to receive honoraria to be
38 determined by the Board.
39

1 SEC. 9. *Powers and Duties of the Board.* - The Board shall have the
2 following powers and duties:

3
4 a) Formulate, prescribe and promulgate the implementing rules and
5 regulations required by this Act for approval of the Quezon City Mayor;

6
7 b) Act upon the annual budget and such supplemental budgets of QC-
8 HURA submitted by the General Manager: Provided that the Board may reduce
9 but may not increase any item proposed by the General Manager;

10
11 c) Approve the organizational structure of QC-HURA as well as its
12 staffing pattern, the salaries of the personnel and their powers and duties as
13 submitted by the General Manager;

14
15 d) Formulate and enforce general and specific policies for housing
16 development, resettlement and urban renewal and other policies that the QC-
17 HURA may require for the effective discharge of its duties which are not contrary
18 to existing laws;

19
20 e) Order, authorize, direct and coordinate with offices and task forces of
21 the Quezon City government in areas important to the implementation of its
22 projects;

23
24 f) Enter into such contracts or agreements as may be necessary for the
25 attainment of the purposes and objectives of this Act, except with the members of
26 the Board, Quezon City officials and employees and the relatives of the same up to
27 the 4th civil degree of consanguinity or affinity or any judicial entity where such
28 persons mentioned have pending cases or interest;

29
30 g) Acquire by purchase privately owned lands for purposes of urban
31 renewal, housing development resettlement and related services and facilities;
32 provided that the acquisition is with consent of the City Council through a
33 resolution;

34
35 h) Design, formulate, negotiate and implement financial or investment
36 schemes to enable private sector assistance and participation in the achievement of
37 the goals of the QC-HURA, and in carrying out its operations;

38
39 i) Render annual reports to the Mayor and the City Council and such
40 special report as may be requested;

1
2 j) Enter into and execute memorandum of agreements, joint ventures, long-
3 term leases and management contracts with private sector entities e.g. real estate
4 developers, construction companies and the like with dependable repute and
5 proven track record in developing and managing real estate ventures.
6

7 SEC. 11. ***Duties of the General Manager.*** - The General Manager, as the
8 Chief Executive Officer of QC-HURA, shall have the following duties and
9 responsibilities:
10

11 a) Directly supervise the operation and internal affairs of the QC-
12 HURA. The General Manager may delegate certain areas of his administrative
13 responsibilities to other officers subject to the rules and regulations promulgated by
14 the Board;
15

16 b) Prepare the agenda for the meetings of the Board and to submit for the
17 consideration of the Board such policies and measures necessary to carry out the
18 purpose of this Act;
19

20 c) Execute, administer and implement the policies and measures
21 approved by the Board;
22

23 d) Subject to the approval of the Board fix the number and salaries of,
24 and appoint the subordinate officer and personnel of the QC-HURA and to remove
25 or otherwise discipline for cause, any such officer or employees;
26

27 e) Represent the QC-HURA in all dealings with other offices, agencies,
28 and instrumentalities of the government and with all persons and entities public or
29 private, domestic or foreign; and
30

31 f) Exercise such other powers and perform such other duties as may be
32 vested in him by the Board;
33

34 SEC. 12. ***Organizational Structure of QC-HURA .*** - The General Manager
35 shall prepare the organizational structure of QC-HURA in such manner as would
36 best carry out its powers and functions and attain the objectives of this Act and
37 present the same to the Board for its approval. Within three (3) months from its
38 approval, the Board shall present the approved organizational structure to the City
39 Council for its confirmation.
40

1 The General Manager shall determine and appoint the subordinate officers,
2 personnel and consultants of the QC-HURA , if necessary, subject to the approval
3 of the Board.
4

5 Subject to approval of the Board, the General Manager shall likewise
6 determine the rates of allowances, honoraria and such other additional
7 compensation, which the QC-HURA is hereby authorized to grant its officers,
8 technical staff and consultants including the necessary detailed personnel.
9

10 SEC. 13. *Inventory of Lands.* - Within three (3) months from the effectivity
11 of this Act, an inventory of all kinds of lands and improvements thereon within the
12 territorial jurisdiction of Quezon City shall be conducted by three (3) reputable
13 independent appraisers as chosen by the Board. The inventory shall include the
14 following:
15

16 a) Lands owned by the national government in Quezon City;
17

18 b) Lands owned by the Quezon City government;
19

20 c) Unregistered or abandoned and idle lands; and
21

22 d) Other lands which may be of use to the Quezon City Government in
23 pursuit of the objectives of this Act.
24

25 In conducting the inventory, the independent appraisers shall indicate the
26 type of land use and the degree of land utilization, and other data or information
27 necessary to carry out the purposes of this Act. They shall submit their report on
28 the appraisal and inventory of lands to the Quezon City Mayor and the Quezon
29 City Council.
30

31 SEC. 14. *Identification of Sites for Socialized Housing.* - After the
32 inventory, the QC-HURA, in coordination with the Quezon City Council, shall
33 identify lands for socialized housing and resettlement areas suited for the
34 immediate and future needs of marginal and low-income families in Quezon City,
35 taking into consideration the degree of availability of basic services and facilities,
36 their accessibility and proximity to job sites and other economic opportunities, and
37 the actual number of registered beneficiaries.
38

39 Land for socialized housing shall be acquired in the following order:
40

- 1 a) Those owned by the Quezon City government;
- 2
- 3 b) Alienable lands of the public domain;
- 4
- 5 c) Unregistered or abandoned and idle lands;
- 6
- 7 d) Those within the declared areas for priority Development Zonal
- 8 Improvement Program sites, and Slum Improvement and Resettlement Program
- 9 sites which have not yet been acquired;
- 10
- 11 e) Donated privately owned lands; and
- 12
- 13 f) Private lands offered for sale by owners.
- 14

15 Where on-site development is found more practicable and advantageous to
16 the beneficiaries the priorities mentioned in this section shall not apply. The QC-
17 HURA shall give budgetary priority to on-site development of government lands.

18
19 **SEC. 15. *Socialized Housing Development.*** - The QC-HURA shall maintain
20 as its primary focus the development of socialized housing, which may be
21 accomplished in any of the following ways:

- 22
- 23 a) Development of new settlements in the following order of priority:
- 24 onsite, near site, in city, and near city;
- 25
- 26 b) Slum upgrading or renewal of areas for priority development and
- 27 environmental improvement and resettlement program;
- 28
- 29 c) Relocation of urban residents, including squatters and informal
- 30 settlers who are involuntarily displaced due to the housing and urban renewal
- 31 program;
- 32

33 For this purpose, the QC-HURA shall be required to develop an area for
34 socialized housing equivalent to at least sixty (60%) of its total landholding.

35
36 **SEC. 16. *Completed Projects: Management and Disposition.*** - The QC-
37 HURA shall determine, establish and maintain the most feasible and effective
38 program for the management or disposition of specific urban renewal, housing or
39 resettlement projects undertaken by it. Unless otherwise decided by the Board,
40 completed housing or resettlement projects of the Quezon City government shall

1 be managed and administered by the QC-HURA until such other arrangements for
2 the discharge of said responsibility have been approved: Provided, that the
3 communities and residents have been fully consulted on the arrangements.
4

5 SEC. 17. *Eligibility Criteria for Socialized Housing Program*
6 *Beneficiaries.* - To qualify for the socialized housing program, a beneficiary:
7

- 8 a) Must be a Filipino citizen;
- 9
- 10 b) Must belong to the marginal and low-income families in Quezon City;
- 11
- 12 c) Must not own any real property in the urban area and;
- 13
- 14 d) Must not be a professional squatter or a member of squatting
15 syndicates.
16

17 Beneficiaries may also include employees of government entities with
18 offices situated in Quezon City whose salaries are not higher than salary grade 18
19 or its equivalent as certified by their offices' respective personnel department,
20 Provided, that they are not yet beneficiaries of any housing program or own
21 housing facilities.
22

23 In coordination with the Quezon City Council, the QC-HURA shall design a
24 system for the identification and registration of qualified program beneficiaries in
25 accordance with the objectives of this Act.
26

27 SEC. 18. *Issuance of the Bonds and Powers to Borrow.* - The QC-HURA
28 through a Quezon City council resolution, may be authorized to issue bonds and
29 other securities, and enter into any form of indebtedness to finance the
30 implementation of its urban renewal and housing program: Provided, that only so
31 much of such bonds and securities shall be issued and sold as the annual project
32 implementation would require; and Provided, further that no bonds and securities
33 shall be issued unless eighty percent (80%) of those already issued have been sold;
34 and Provided, finally, that the total amount of the bond or securities and long-term
35 debt issued shall in no case exceed twenty (20) times the paid up capital and
36 surplus of the QC-HURA.
37

38 The QC-HURA, in consultation with the Secretary of Finance and the
39 Monetary Board, shall prescribe the form, the rate of interest and denomination,

1 maturities, negotiabilities, call or redemption features and all other terms and
2 condition for the bonds and securities to be issued.

3
4 The bonds and securities issued under this Act, including the income thereof
5 shall be exempted from all kinds of local taxes and from attachment, execution and
6 seizure which facts shall be stated on the face thereof. The Quezon City
7 Government shall seek from the National Government the exemption from all
8 kinds of national taxes of such bonds and securities to be issued under this Act.

9
10 SEC. 19. **Reports.** - The QC-HURA shall submit an annual report to the
11 Office of the President of the Republic of the Philippines, both Houses of
12 Congress, the Quezon City Mayor and to the Quezon City Council indicating,
13 among others, the urban renewal and housing program being implemented, the
14 stages of implementation and the financial position of the QC-HURA. It shall
15 likewise submit such periodic and other report as may be required by the Quezon
16 City Mayor and the Quezon City Council.

17
18 The Quezon City Council shall undertake the internal and external
19 monitoring of the housing and urban development of QC-HURA to ensure
20 complete and objective information about the progress of resettlement and shall
21 also:

22
23 a) Assess whether resettlement objectives have been met and specifically
24 whether livelihoods and living standards have been restored or enhanced;

25
26 b) Assess resettlement efficiency, effectiveness impact and
27 sustainability;

28
29 c) Ascertain whether the resettlement entitlements were appropriate in
30 meeting the objectives and the objectives were suited to the conditions.

31
32 SEC. 20. **Dissolution.** - In the event the QC-HURA is dissolved for any
33 reason, all of its properties and other assets remaining at the time of such
34 dissolution shall revert to the Quezon City government.

35
36 SEC. 21. **Applicability of the Corporation Code.** - The provisions of the
37 Corporation Code, insofar as they are not inconsistent with the provisions and
38 policies provided in this Act, shall be applicable and supplementary.

1 SEC. 22. *Separability Clause.* - Should any section or provision of this Act
2 be declared by the Courts to be unconstitutional or invalid, such decision shall not
3 affect the validity of this Act or any part thereof other than the part so declared to
4 be unconstitutional or invalid. Any portion thereof not affected by such declaration
5 shall remain in full force and effect.
6

7 SEC. 23. *Effectivity Clause.* - This Act shall take effect Fifteen (15) Days
8 after its publication in a newspaper of general circulation.
9

10 Approved,