



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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. **3195**



Introduced by Honorable Luis A. Ferrer IV

EXPLANATORY NOTE

This bill seeks to mandate local government units (LGUs) to allocate for other basic services and livelihood component in favor of the host local government unit in which their socialized housing or resettlement project is located, amending for the purpose Republic Act (RA) No. 7279, otherwise known as the "*Urban Development and Housing Act of 1992*".

To lessen the effects of displacement of informal settlers, the Urban Development and Housing Act mandates the LGUs to implement the socialized housing or resettlement project within their territory. However, more often than not, no relocation or resettlement site is available within their jurisdiction, hence LGUs are compelled to acquire and develop the socialized housing or resettlement project in another LGU.

As provided under RA 7279, LGUs provide for the basic services and facilities such as potable water, power and electricity, sewerage facilities and access to primary roads and transportation facilities, among others. Further, the law likewise mandates the LGUs to plan and to give priority for implementation the provision for other basic services and facilities such as health, education, communications, security, recreation, relief and welfare.

Unfortunately, in cases where the socialized housing or resettlement area is located in another city or municipality, LGUs no longer bother

themselves in providing for these other basic services. As a consequence, the LGU where the informal settlers were relocated inherits several socio-economic problems which strain its finances to the detriment of its legitimate constituency. The sudden influx of people entails additional expenses for the LGU in order to be able to deliver basic services such as education, health, peace and order, among others, for the additional number of residents. These additional expenses were never considered or taken into account when the host LGU prepared its own budget.

To solve this problem, this bill seeks to mandate the local government unit which implemented the socialized housing or resettlement to make available to the host LGU the allocation for the provisions of such other basic services and facilities. In addition to the fund sources provided under Republic Act No. 7279, it is further proposed that the allocation for such other basic services in the socialized housing or resettlement shall be sourced from the internal revenue allotment (IRA) of the LGU which implemented the socialized housing or resettlement.

Under the Local Government Code of 1991, particularly Section 287 thereof, LGUs are mandated to appropriate at least 20% of its IRA for development projects. Pursuant to this provision, Joint Memorandum Circular No. 2011-1 dated April 13, 2011 was issued by the Department of Interior and Local Government (DILG) and the Department of Budget and Management (DBM), amending for the purpose DILG-DBM Joint Memorandum Circular No. 1 dated September 21, 2005, entitled "*Guidelines on the Appropriation and Utilization of the 20% of the Annual Internal Revenue Allotment for Development Projects*" and DILG Memorandum Circular No. 2010-138 dated December 2, 2010 entitled "*Use of the 20% Component of the Annual Internal Revenue Allotment Shares.*" Based on these guidelines, the 20% of the IRA intended for development projects may be utilized by the local government unit for priority programs like social development, purchase and development of land for relocation or resettlement beneficiaries, including livelihood and economic assistance, among others.

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


LUIS A. FERRER IV



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AN ACT
MANDATING LOCAL GOVERNMENT UNITS TO ALLOCATE
FOR OTHER BASIC SERVICES AND LIVELIHOOD COMPONENT
IN FAVOR OF THE HOST LOCAL GOVERNMENT UNIT IN
WHICH THEIR SOCIALIZED HOUSING OR RESETTLEMENT
PROJECT IS LOCATED, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 7279, 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:

SECTION 1. A new section to be denominated as Section 21-A is hereby inserted after Section 21 of Republic Act No. 7279 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 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 provisions 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.

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 as mechanism to coordinate operationally the thrusts,

objectives and activities of other government agencies concerned with providing basic services to housing projects.”

“SEC. 21-A. *MEMORANDUM OF AGREEMENT.* - IN CASE THE SOCIALIZED HOUSING OR RESETTLEMENT AREA IS LOCATED IN ANOTHER LOCAL GOVERNMENT UNIT, THE LOCAL GOVERNMENT UNIT WHICH IMPLEMENTED THE SOCIALIZED HOUSING OR RESETTLEMENT SHALL, THROUGH A MEMORANDUM OF AGREEMENT, MAKE AVAILABLE TO THE HOST LOCAL GOVERNMENT UNIT WHERE THE SOCIALIZED HOUSING OR RESETTLEMENT WILL BE LOCATED THE ALLOCATION FOR THE PROVISIONS OF SUCH OTHER BASIC SERVICES AND FACILITIES MENTIONED IN THE SECOND PARAGRAPH OF SECTION 21 HEREOF.

IN ADDITION TO THE FUNDING SOURCES PROVIDED UNDER SECTION 42 OF THIS ACT, THE ALLOCATION FOR THE BASIC SERVICES AND FACILITIES MAY BE TAKEN BY THE LOCAL GOVERNMENT UNIT IMPLEMENTING THE SOCIALIZED HOUSING OR RESETTLEMENT FROM THE

TWENTY PERCENT (20%) OF THE INTERNAL REVENUE ALLOTMENT APPROPRIATED FOR DEVELOPMENT PROJECTS AS MANDATED UNDER SECTION 287 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE.”

SEC. 2. Within sixty days after the effectivity of this Act, the Secretary of Interior and Local Government shall, in coordination with the Housing and Urban Development Coordinating Council, issue the rules and regulations necessary for the effective implementation of this Act.

SEC. 3. All laws, executive orders, and rules and regulations, or parts thereof, inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,