

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

Sixteenth Congress
First Regular Session



House Bill No. **3975**

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

EXPLANATORY NOTE

The *1987 Philippine Constitution*, in its Article XIII (Social Justice and Human Rights), it is provided:

"*Section 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 employments of such programs that the State shall respect the rights of small property owners."

"*Section 10.* Urban or rural poor dwellers shall not be evicted nor their dwellings demolished, except in accordance with law and in a just and humane manner.

No resettlement of urban or rural dwellers shall be undertaken without adequate consultation with them and the communities where they are to be located."

The commitment of the State to undertake a continuing program of urban land reform with the end of view of securing affordable housing and basic services to the underprivileged, as well as the obligation of the State to respect and protect the right of the poor against forcible eviction, are both mandatory in our *Constitution*.

The enactment of the *Urban Development and Housing Act* in 1992 paved the way for the provision of a complete solution to the problem of informal settlement. It sought to ensure that homeless Filipinos would be given homes through the joint efforts of the government and the private sector. It sought to provide the framework for providing safer, accessible and, more importantly, permanent homes to families who set up dwelling in areas intended for public use and in 'danger zones.'

Two decades after the passage of the *Urban Development and Housing Act* show that reality has not lived up to the noble intention of the legislation. Estimates by the Housing and Urban Development Coordinating Council in 2011 show a national housing backlog of 3,756,072, this translates to over 3.7 million Filipino families lacking safe and secure dwellings or, assuming an average family size of 5, to more than 18 million Filipinos living under precarious conditions. In fact, from 1998 to 2011, the government has only managed to provide resettlement to 235,214 families, an average of 16,801 families per year.

This housing backlog will increase because of our growing population and the intensifying migration to urban centers. By all indication the government will continue to miss its annual housing targets, a backlog which the Housing and Urban Development Coordinating Council estimates to rise by more than 195,000 for every year.

Clearly, one of crucial issues in the government housing program, particularly in relation to the relocation of informal settlers, is sustainability.

In 2011, the Aquino Administration ordered the allocation of fifty billion Philippine pesos (PhP50,000,000,000.00) for a five-year resettlement program aimed to ensure safe and flood-resilient permanent housing solutions for 104,219 informal settler families (ISFs) living in the so-called "danger areas" of the National Capital Region by 2016. What we have to appreciate in the Administration's resettlement program, however, was the innovation which came from the framework adopted by different agencies and stakeholders implementing it, a framework now expressed in a Joint Memorandum Circular.

The Joint Memorandum Circular, signed and adopted by implementing government agencies, mandates that resettlement sites should be on-site or, in situations where this is not possible, in-city or, if still not possible, near-city. As an added innovation, the resettlement should be implemented in accordance with a "People's Plan," which is a proposal to be developed by the community being relocated.

The official adoption of an "on-site, in-city, near-city" policy governing resettlement, and the primary role given to the "People's Plan" in implementation, are extremely significant and groundbreaking steps that will likely prove to be crucial innovations in ensuring the sustainability of future resettlement projects not just in the National Capital Region, but across all regions. The on-site, in-city paradigm ensures continued access of ISFs to their employment and a market for their microenterprises, while the institutionalization of the People's Plan process ensures a level of participation and, more importantly, ownership of the program that will make ISFs active partners in the initiative instead of simply being passive subjects to the same. Both contribute greatly to enhancing sustainability, and ultimately, viability of the resettlement program.

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



IBARRA "BARRY" M. GUTIERREZ III



WALDEN F. BELLO

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AN ACT

**ESTABLISHING AN ON-SITE, IN-CITY OR NEAR-CITY POLICY IN THE
PROVISION OF RESETTLEMENT SITES FOR INFORMAL SETTLER FAMILIES
IN ACCORDANCE WITH THE PEOPLE’S PLAN,
AMENDING FOR THIS 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:

1 **SECTION 1. *Short Title.***—This Act shall be known as the “*On-site, In-City, Near-City*
2 *Resettlement Act of 2014.*”
3

4 **SECTION 2. *Declaration of Policies.***—Pursuant to the clear and express declaration in
5 Sections 9 and 10, Article XIII of the *1987 Philippine Constitution* and in Article 11 of the
6 *International Covenant on Economic, Social and Cultural Rights*, it is hereby declared the policy of the
7 State to ensure that safe, affordable, and decent permanent housing solutions is afforded to
8 informal settler families (ISFs). The State shall ensure that the relocation of ISFs shall be on-site,
9 in-city, and near-city, and in accordance with the People’s Plan which gives primacy to the
10 preference of ISFs in the implementation of their resettlement.
11

12 General Comment 4 of the United Nations’ Committee on Economic, Social and Cultural Rights
13 likewise emphasizes a number of factors which contribute to the concept of “adequacy” in
14 relation to the right to housing. This includes the availability of services, materials, facilities and

1 infrastructure, accessibility, and location. It is therefore a policy of the State to ensure that
2 housing beneficiaries have sustainable access to natural and common resources, safe drinking
3 water, heating and lighting, sanitation and washing facilities, site drainage and emergency
4 services. Housing beneficiaries should as well be ensured access to employment options, health-
5 care services, schools, child-care centers and other social facilities.

6
7 **SECTION 3.** Section 3 of Republic Act No. 7279 otherwise known as the “*Urban Development*
8 *and Housing Act of 1992*” is hereby amended to read as follows:

9
10 “*Section 3. Definition of terms.*—For purposes of this Act:

11
12 (a) ‘Adequate and genuine consultation’ refers to the standard of consultation as
13 described in the Department of Interior and Local Government’s Memorandum
14 Circular No. 2011-182, which adopts Commission on Human Rights’ CHR(IV)
15 No. A2011-003, which states:

16
17 “9. Adequate consultation with affected resident requires the
18 following:

- 19 a. Effective dissemination of relevant information and
20 documents including but not limited to land records, housing
21 budgets, the proposed project, alternative housing options,
22 comprehensive resettlement plans, etc.;
23 b. Reasonable time for the public to review, comment and
24 object to the proposed plan or project;
25 c. Provisions of legal, technical, and other advice to
26 affected persons about their rights and options by the
27 government and/or non-government organizations;
28 d. Public hearing(s) that provide(s) affected persons and
29 their advocates with opportunities to challenge the eviction
30 decision and/or present alternative proposals and to articulate
31 their demands and development priorities; and
32 e. In case no agreement is reached on the proposals of
33 concerned parties, an independent body having constitutional

1 authority, such as a court of law, should mediate, arbitrate or
2 adjudicate as may be appropriate.”

3
4 (b) *‘Affordable cost’* refers to the most reasonable price of land and shelter
5 based on the needs and financial capability of program beneficiaries and
6 appropriate financing schemes.

7
8 (c) *‘Areas for priority development’* refers to those areas declared as such under
9 existing statutes and pertinent executive issuances.

10
11 (d) *‘Blighted lands’* refers to the areas where the structures are dilapidated,
12 obsolete and unsanitary, tending to depreciate the value of the land and prevent
13 normal development and use of the area.

14
15 (e) *‘Civil society organizations’* or “CSOs” refers to non-governmental
16 organizations (NGOs), people’s organizations (POs), cooperatives, trade unions,
17 professional associations, faith-based organizations, media groups, indigenous
18 peoples movements, foundations, and other citizen’s groups formed primarily
19 for social and economic development to plan and monitor government programs
20 and projects, engage in policy discussions, and actively participate in collaborative
21 activities with the government.

22
23 (f) *‘Consultation’* refers to the constitutionally mandated process whereby the
24 public, on their own or through the people’s organizations, is provided an
25 opportunity to be heard and to participate in the decision-making process on
26 matters involving the protection and promotion of its legitimate collective
27 interest, which shall include appropriate documentation and feedback
28 mechanisms.

29
30 (g) *‘Idle lands’* refers to non-agricultural lands in urban and urbanized areas on
31 which no improvements, as herein defined, have been made by the owner, as
32 certified by the city, municipal or provincial assessor.

1 (h) *'Improvements'* refers to all types of buildings and residential units, walls,
2 fences, structures or constructions of all kinds of a fixed character or which are
3 adhered to the soil but shall not include trees, plants and growing fruits, and
4 other fixtures that are mere superimpositions on the land, and the value of
5 improvements shall not be less than fifty percent (50%) of the assessed value of
6 the property.

7
8 (i) *'In-city'* refers to a relocation site within the jurisdiction of the city where
9 the affected informal settler families are living.

10
11 (j) *'Informal settlements'* refers to (1) a residential area where a group of
12 housing units has been constructed on land to which the occupants have no legal
13 claim, or which they occupy illegally, or (2) unplanned settlements and areas
14 where housing is not in compliance with current planning and building
15 regulations.

16
17 (k) *'Informal settler families,'* collectively referred to as *'ISFs,'* refers to families
18 living in informal settlements as the latter is defined in this Act.

19
20 (l) *'Joint venture'* refers to the commitment or agreement by two (2) or more
21 persons to carry out a specific or single business enterprise for their mutual
22 benefit, for which purpose they combine their funds, land resources, facilities
23 and services.

24
25 (m) *'Land assembly or consolidation'* refers to the acquisition of lots of varying
26 ownership through purchase or expropriation of the purpose of planned and
27 rational development and socialized housing programs without individual
28 property boundary restrictions.

29
30 (n) *'Land banking'* refers to the acquisition of land at values based on existing
31 use in advance of actual need to promote planned development and socialized
32 housing programs.

1 (o) *'Land swapping'* refers to the process of land acquisition by exchanging
2 land for another piece of land of equal value, or for shares of stock in a
3 government or quasi-government corporation whose book value is of equal value
4 to the land being exchanged, for the purpose of planned and rational
5 development and provision for socialized housing where land values are
6 determined based on land classification, market value and assessed value taken
7 from existing tax declaration: *Provided, That more valuable lands owned by*
8 *private persons may be exchanged with less valuable lands to carry out the*
9 *objectives of this Act.*

10
11 (p) *'Land use plan'* refers to the rational approach of allocating available
12 resources as equitably as possible among competing user groups and for different
13 plan of the area and the Program under this Act.

14
15 (q) *'Near-city'* refers to a relocation site in a city other than the city of the
16 affected informal settlements: *Provided, however, That said relocation site is adjacent*
17 *to the present settlements of the affected informal settler families.*

18
19 (r) *'Non-government organization'* or *'NGO'* refers to a non-profit, voluntary
20 organization committed to the task of socio-economic development and
21 established primarily for services such as assisting citizens or people's
22 organization in various ways by educating, training or giving funds to them, and
23 shall include foundations created for the same purpose or purposes.

24
25 (s) *'On-site development'* refers to the process of upgrading and rehabilitation of
26 blighted slum urban areas with a view of minimizing displacement of dwellers in
27 said areas, and with provisions for basic services as provided for in Section 21
28 hereof.

29
30 (t) *'Off-city and off-site'* refers to a relocation site developed outside and non-
31 adjacent to the city where the affected informal settler families have their
32 settlements.

1 (u) 'People's Plans' refers to the plans formed by people's organizations, with
2 or without the support of non-governmental organization. A People's Plan is a
3 community development plan, which went through a process of consultation
4 with, and endorsement by, the beneficiaries. It contains a site development plan
5 and may include, among others, non-physical development such as livelihood,
6 self-help development, and capability building trainings.

7
8 (v) 'People's organization' or 'PO' refers to an independent community or
9 sector-based organization or association established to protect and advance
10 common shelter interests.

11
12 (w) 'Professional squatters' refers to individuals or groups who occupy lands
13 without the express consent of the landowner and who have sufficient income
14 for legitimate housing. The term shall also apply to persons who have previously
15 been awarded homelots or housing units by the Government but who sold,
16 leased or transferred the same to settle illegally in the same place or in another
17 urban area, and non-bona fide occupants and intruders of lands reserved for
18 socialized housing. The term shall not apply to individuals or groups who simply
19 rent land and housing from professional squatters or squatting syndicates.

20
21 (x) 'Resettlement areas' refers to areas identified by the appropriate national
22 agency or by the local government unit with respect to areas within its
23 jurisdiction, which shall be used for the relocation of the underprivileged and
24 homeless citizens.

25
26 (y) 'Security of tenure' refers to the degree of protection afforded to qualified
27 Program beneficiaries against infringement or unjust, reasonable and arbitrary
28 eviction or disposition, by virtue of the right of ownership, lease agreement,
29 usufruct and other contractual arrangements.

30
31 (z) 'Slum improvement and resettlement program' or 'SIR' refers to the program of
32 the National Housing Authority of upgrading and improving blighted squatter
33 areas outside of Metro Manila pursuant to existing statutes and pertinent
34 executive issuances.

1
2 (aa) '*Small property owners*' refers to those whose only real property consists of
3 residential lands not existing three hundred square meters (300 sqm) in highly
4 urbanized cities and eight hundred square meters (800 sqm) in other urban areas.
5

6 (bb) '*Socialized housing*' refers to housing programs and projects covering
7 houses and lots or homelots, and medium rise buildings only undertaken by the
8 Government or the private sector for the underprivileged and homeless citizens
9 which shall include sites and services development, long-term financing,
10 liberalized terms on interest payments, and such other benefits in accordance
11 with the provisions of this Act.
12

13 (cc) '*Social preparation*' refers to the process of establishing social,
14 organizational, and institutional norms and mechanisms. Such norms and
15 mechanisms will (1) enable the settlers to cope with changes, and (2) in
16 partnership with concerned institutions and stakeholders, encourage the settlers
17 not only to work among themselves for the purpose of drawing up and
18 undertaking their housing resettlement proposals but also to actively and
19 meaningfully participate in housing resettlement projects undertaken in their
20 behalf, thus resolving collective action problems among community members
21 and coordination problems with government and other entities.
22

23 (dd) '*Squatting syndicates*' refers to groups of persons engaged in the business of
24 squatter housing for profit or gain.
25

26 (ee) '*Underprivileged and homeless citizens*' refers to the beneficiaries of this Act
27 and to individuals or families residing in urban and urbanizable areas whose
28 income or combined household income falls within the poverty threshold as
29 defined by the National Economic and Development Authority and who do not
30 own housing facilities. This shall include those who live in makeshift dwelling
31 units and do not enjoy security of tenure.
32

33 (ff) '*Unregistered or abandoned lands*' refers to lands in urban and urbanizable
34 areas which are not registered with the Register of Deeds, or with the city or

1 municipal assessor's office concerned, or which are uninhabited by the owner
2 and have not been developed or devoted for any useful purpose, or appears
3 unutilized for a period of three (3) consecutive years immediately prior to the
4 issuance and receipt of publication of notice of acquisition by the Government
5 as provided under this Act. It does not include land which has been abandoned
6 by reason of force majeure or any other fortuitous event: *Provided*, That prior to
7 such event, such land was previously used for some useful or economic purpose.
8

9 (gg) 'Urban areas' refers to all cities regardless of their population density and
10 to municipalities with a population density of at least five hundred (500) persons
11 per square kilometers.
12

13 (hh) 'Urbanizable areas' refers to sites and lands which, considering present
14 characteristics and prevailing conditions, display marked and great potential of
15 becoming urban areas within the period of five (5) years; and
16

17 (ii) 'Zonal improvement program' or 'ZIP' refers to the program of the National
18 Housing Authority of upgrading and improving blighted squatters areas within
19 the cities and municipalities of Metro Manila pursuant to existing statutes and
20 pertinent executive issuances."

21
22 **SECTION 4.** Section 26 of Republic Act No. 7279 otherwise known as the "*Urban Development*
23 *and Housing Act of 1992*" is hereby amended to read as follows:
24

25 "*Section 26. Urban renewal and resettlement.*— ~~This Urban renewal and resettlement~~
26 shall include the rehabilitation and development of blighted and slum areas and
27 the resettlement of Program beneficiaries in accordance with the provisions of
28 this Act. On-site development shall be implemented ~~whenever possible after~~
29 adequate and genuine consultation with the affected informal settler families, and
30 should be in accordance with the resulting People's Plans, in order to ensure
31 minimum movement of occupants of blighted lands and slum areas.
32

33 The in-city resettlement of the beneficiaries of the Program from their existing
34 places of occupancy shall be undertaken only when on-site development is not

feasible due to causes for eviction or demolition as provided in Section 28 of this Act, and only after compliance with the procedures laid down in Section 28 of this Act the same section, in accordance with the preference of the affected informal settler families. Should in-city resettlement be impossible, near-city resettlement sites shall be considered. Off-site resettlements shall only be resorted to when directly requested by the affected informal settler families themselves, and must satisfy that the requirements of adequate and genuine consultation prior to relocation.”

SECTION 5. There shall be incorporated a new provision before Section 27 of Republic Act No. 7279 otherwise known as the “*Urban Development and Housing Act of 1992*” to read as follows:

“Section 26-A. Implementation of the People’s Plans.—The affected informal settler families, with the assistance of civil society organizations and government agencies including, but not limited to, the National Anti-Poverty Commission, Presidential Commission of the Urban Poor, National Housing Authority, Department of Social Welfare and Development, Social Housing Finance Corporation, local government units, and other relevant agencies of government, shall agree, develop, and implement a People’s Plan.

In accordance with social protection guidelines including, but not limited to, those provided under Section 28 of this Act, a Relocation Action Plan shall be an indispensable component of the People’s Plan. The Relocation Action Plan shall include the following objectives:

- (a) Ensure safe, affordable, decent and humane conditions of relocation;
- (b) Provide adequate social preparation; and
- (c) Prevent forced eviction.

Provided, That primary consideration shall be given to the housing financial scheme suggested in the People’s Plan: Provided, finally, That the implementation of housing solution shall be subject to checking, validation and acceptance by the affected informal settler families.”

1 **SECTION 6. *Implementing rules and regulations.***—The principles, policies and provisions
2 of this Act shall be incorporated in the National Shelter Program Implementation, as provided in
3 Section 4 of Republic Act No. 7835 otherwise known as the “*Comprehensive and Integrated Shelter*
4 *Financing Act of 1994.*”
5

6 The Housing and Urban Development Coordinating Council, after consultation with concerned
7 government agencies, non-governmental organizations, people’s organizations, representatives
8 from the private sector, and informal settler families, shall promulgate a new set of implementing
9 rules and regulations within sixty (60) days from the effectivity of this Act. Such implementing
10 rules and regulations shall be consistent with the provisions of this Act, particularly with the
11 amendments, parameters and standards introduced to Section 26 and by Section 26-A of
12 Republic Act No. 7270, otherwise known as the “*Urban Development and Housing Act of 1992,*” and
13 shall include the following:
14

15 (a) A People’s Plan template to guide informal settler families in the development of their own
16 People’s Plan: *Provided*, That such template shall be a complete *pro forma* People’s Plan:
17 *Provided, however*, That such a template shall be used to benchmark the minimum standards in
18 a People’s Plan.
19

20 (b) A guide to effective implementation of People’s Plan, including details on the necessity of
21 the issuance of internal memoranda by concerned agencies.
22

23 **SECTION 7. *Separability clause.***—If, for any reason, any part, section or provision of this
24 Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall
25 continue to be in full force and effect.
26

27 **SECTION 8. *Repealing clause.***—The *Urban Development and Housing Act of 1992* (R.A. NO
28 7279) is hereby amended accordingly.
29

30 All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or
31 part or parts thereof, including parts of the *Comprehensive and Integrated Shelter Financing Act of 1994*
32 (R.A. No. 7835), which are inconsistent with the provisions of this Act are hereby repealed,
33 amended or modified accordingly.
34

1 **SECTION 9. *Effectivity clause.***—This Act shall take effect fifteen (15) days after the
2 completion of its publication in the Official Gazette or in at least two (2) newspapers of general
3 circulation.

Approved,