

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4381



Introduced by Rep. Winston "Winnie" Castelo

EXPLANATORY NOTE

The housing shortage in the Philippines persistently haunts the government, especially in urban areas. With the enactment of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act (UDHA) of 1992, the national government declared it as a policy to undertake a comprehensive and continuing Urban Development and Housing Program which was viewed to uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to them decent housing at affordable cost.

The law is an embodiment of the mandate of the Constitution in Article XIII, Section 9, which provides:

"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 under-privileged and homeless citizens in urban centers and resettlement areas. xxx"

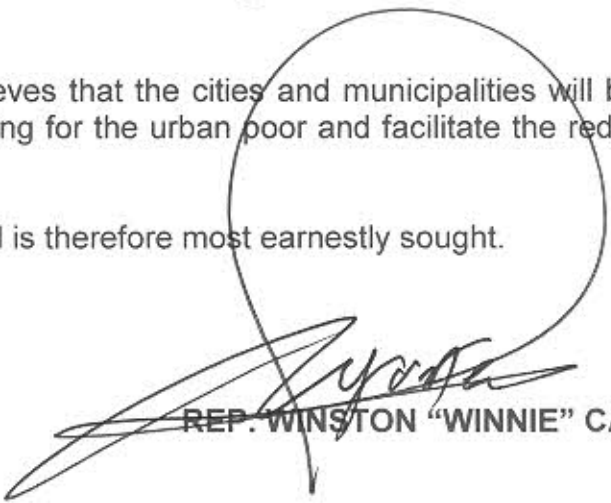
To encourage greater private sector participation in land and housing reform, Section 18 of the UDHA, as recently amended by Republic Act No. 10884, provided for a "Balanced Housing Development Program," requiring developers of proposed subdivision and condominium projects to "develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, in accordance with the standards set by the Housing and Land Use Regulatory Board and other existing laws."

While this amendment expanded the balanced housing development program to include condominium projects, it removed the requirement that the compliance project be constructed within the same city or municipality where the proposed subdivision or condominium project is to be constructed. The local government units are thus left

powerless to ensure that the intent of the program –that the homeless and the urban poor are not left out whenever a subdivision project for the more fortunate citizens is built – is fulfilled. It likewise runs counter to the avowed policy of the UDHA to improve the capability of local government units in undertaking urban development and housing programs and projects.

With this bill, the author believes that the cities and municipalities will be at the forefront of providing low-cost housing for the urban poor and facilitate the reduction of the housing backlog.

Immediate passage of this bill is therefore most earnestly sought.



REP. WINSTON "WINNIE" CASTELO

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AN ACT AMENDING REPUBLIC ACT NO. 7279, AS AMENDED BY REPUBLIC ACT NO. 9397 AND REPUBLIC ACT NO. 10884, OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992

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

SECTION 1. Section 18 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," is hereby amended to read as follows:

"SECTION 18. Balanced Housing Development. — The Program shall include a system to be specified in the Framework plan whereby developers of proposed subdivision and condominium projects shall be required to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, **WITHIN THE SAME CITY OR MUNICIPALITY**, in accordance with the standards as provided by law: *Provided*, That proposed socialized subdivision projects and proposed socialized condominium projects shall be exempt from this requirement. **PROVIDED, FURTHER, THAT IF THE CONSTRUCTION OF THE COMPLIANCE PROJECT WITHIN THE SAME CITY OR MUNICIPALITY IS NOT FEASIBLE, THE CONCERNED CITY OR MUNICIPALITY SHALL DETERMINE WHERE IT WOULD BE CONSTRUCTED.** For this purpose, the Housing and Urban Development Coordinating Council and the National Economic Development Authority shall jointly determine and set separate socialized housing price ceilings for socialized subdivision and socialized condominium project which shall be mandatorily reviewed or revised every two (2) years. 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 socialized housing in a new settlement;
- "(b) Joint-venture projects for socialized housing with either the local government units or any of the housing agencies or with another private developer, or with a nongovernmental organization engaged in the provision of socialized housing and duly accredited by the Housing and Land Use Regulatory Board, but if the developer has failed to complete the development of the project, the owner and/or developer of the main subdivision or condominium project shall be solidarily liable only to the extent of compliance to the balanced housing requirement regardless of the provisions of their joint venture agreement; [or]
- "(c) Participation in a new project under the community mortgage program;
- "(D) SLUM UPGRADING OR RENEWAL OF AREAS FOR PRIORITY DEVELOPMENT EITHER THROUGH ZONAL IMPROVEMENT PROGRAMS OR SLUM IMPROVEMENT AND RESETTLEMENT PROGRAMS WITHIN THE CITY OR MUNICIPALITY WHERE THE PROPOSED SUBDIVISION OR CONDOMINIUM PROJECT IS DEVELOPED; OR**
- "(E) DEVELOPMENT OF EDUCATION FACILITIES, HEALTH FACILITIES, PRODUCTIVITY/LIVELIHOOD CENTERS, AND OTHER BASIC AMENITIES AND FACILITIES AS PROVIDED IN SECTIONS 21 AND 22 OF RA 7279 IN EXISTING SOCIALIZED HOUSING PROJECTS.**

"The Housing and Land Use Regulatory Board is hereby mandated to submit to congress an annual report on the compliance hereof by the owners and/or developers of subdivision and condominium projects.

"Any person violating any provision of this section shall be imposed a fine of not less than five hundred thousand pesos (P500,000.00), for the first offense; suspension of license to do business for a period of three (3) to six (6) months and a fine of not less than five hundred thousand pesos (P500,000.00), for the second offense; and cancellation of license to do business for the third offense."

SECTION 2. Separability Clause. If any provision or part hereof is held invalid or unconstitutional, the remainder of the provision not otherwise affected shall remain valid and subsisting.

SECTION 3.Repealing Clause. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with, the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 4. Effectivity. This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,