

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 10804

EXPLANATORY NOTE

Section 9, Article XIII of the 1987 Constitution provides that:

SECTION 9. The State shall, by law, and for the common good, undertake, in cooperation with the public 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 resettlements areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners.

The National Housing Authority (NHA) is a government-owned and controlled corporation (GOCC), duly organized and established by virtue of Presidential Decree No. 757, and later extended by Executive Order No. 90.

Under Republic Act (RA) No. 11201 otherwise known as the "Department of Human Settlements and Urban Development (DHSUD) Act", the NHA became an attached agency and under the administrative supervision of the DHSUD. RA 11201 provides that NHA shall continue to function as a production and financing arm in housing and shall exercise all other functions based on its existing charter and its other mandates as provided under existing laws.

Data from the Philippine Statistics Authority would show that there are around 4.5 million homeless people in the Philippines with around 3 million of them in Metro Manila.

The NHA is the sole national agency mandated to engage in housing production for low-income families. It was mandated to focus on socialized housing through the development and implementation of comprehensive and integrated housing development and resettlement. As of end of 2020, NHA has completed 26,280 housing units or 39% of its target. It had also started building 42,490 housing units or 82% of its 51,543 target units.

This bill seeks to extend the corporate life of the NHA for a period of fifty (50) years in order for the NHA to continue its plans and realize the objectives of ensuring 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 order to guarantee enjoyment of the people to a decent standard of living and improved quality of life for all.

In view of the foregoing, the immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ

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AN ACT

STRENGTHENING THE NATIONAL HOUSING AUTHORITY, EXTENDING ITS CORPORATE TERM, AND AMENDING FOR THIS PURPOSE PRESIDENTIAL DECREE NO. 757 (P.D. 757), "CREATING THE NATIONAL HOUSING AUTHORITY AND DISSOLVING THE EXISTING HOUSING AGENCIES, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

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

SECTION 1. Short Title. – This Act shall be known as the "National Housing Authority Act".

SEC 2. Declaration of Policy. – It is the policy of the State to ensure a continuing and sustainable program for urban land reform and housing which shall make available affordable, and decent housing with basic services to underprivileged and homeless citizens, in order to guarantee freedom from poverty, higher standard of living, and improved quality of life for all.

The State, in partnership with the private sector, and its stakeholders shall also:

- a) Expand people's access to affordable, adequate, safe, and secure shelter in well-planned communities;
- b) Enable informal settler families to live in resilient, vibrant, and connected urban communities;
- c) Promote inclusive and integrated housing that are culturally sensitive, responsive to local context and/or special needs, and in accordance with appropriate standards and designs;
- d) Encourage and sustain investments in the housing and urban development sector by, among others, promoting partnerships, improving market linkages, simplifying government procedures and facilitating access to finance;
- e) Improve affordability of housing programs and projects;
- f) Promote climate change, resilient housing, and basic infrastructure; and
- g) Make land available and accessible for housing.

SEC 3. Statement of Objectives. – Towards this end, the State shall integrate all laws relating to the National Housing Authority to effectively achieve the following objectives:

- a) Develop integrated, sustainable, safe, affordable and resilient communities, particularly for the underprivileged and homeless, as well as low-income households;
- b) Implement innovative and alternative solutions in addressing the housing needs of informal settler families, the lower-income classes, and the vulnerable sector;
- c) As a government-owned and -controlled corporation, to generate income through the efficient utilization of existing and future assets to support the programs of the Authority;
- d) Adopt viable land acquisition and management approaches; and
- e) Strengthen housing as a platform to reduce poverty, promote climate resilience, and improve social outcome.

SEC 4. Extension of Corporate Term. – The corporate term of the government corporation known as the "National Housing Authority (NHA)," hereinafter, the "Authority" created by virtue of Presidential Decree No. 757 (PD 757) shall be extended for a period of fifty (50) years, upon the approval of this Act.

As such, the Authority shall continue to perform its mandates, exercise its powers and functions, and enjoy its incentives, as provided in PD 757, and subsequent laws and issuances, unless expressly repealed herein. Likewise, it shall continue to enjoy all rights and assume all of the liabilities that pertain thereto.

SEC 5. Office. – The Authority shall retain its principal office at the NHA Main Office, Elliptical Road, Diliman, Quezon City, but may have such regional and district offices, agencies, or subsidiaries in other areas all over the country, as it may deem proper and necessary.

SEC 6. Powers and Functions of the Authority. – The Authority, in line with its role as the sole government agency engaged in direct housing production, and in pursuit of the foregoing policies and objectives, shall also exercise the following powers and functions:

I. Housing Operations and Support Services

- a) Develop and implement comprehensive and integrated housing and urban and rural development programs for citizens including, but not limited to:
 - i. programs for the improvement of urban areas;
 - ii. direct shelter production and disposition primarily for informal settler families and the underprivileged and homeless;
 - iii. relocation of families subject of court-ordered eviction; and
 - iv. housing programs for government employees and uniformed personnel, such as: members of the Armed Forces of the Philippines (AFP), Philippine National Police (PNP), Bureau of Jail Management and Penology (BJMP), Bureau of Fire Protection (BFP), and Bureau of Corrections (BuCor).
- b) Prescribe guidelines and standards for the reservation, conservation, and utilization of public lands identified for housing and resettlement;
- c) Design and implement sustainable livelihood programs, fully funded by the national government, which are responsive to the needs of its housing community, in coordination with the concerned local and national government agencies and, whenever practicable, with participation of civil society organizations and the private sector;
- d) Develop and undertake other urban and rural development projects including basic community facilities, by itself or through joint ventures or other arrangements with public and private entities;
- e) Improve, redevelop, or revitalize completed but not yet turned-over NHA housing projects by constructing therein additional community structures, or whenever necessary, demolishing previously erected structures similar in nature, subject to existing laws and regulations;
- f) Provide technical and other forms of assistance to local government units in the implementation of their own housing programs, or private developers undertaking low-cost housing projects, subject to the policies of the Authority;
- g) Undertake financing of housing programs initiated by local government units or local communities; and
- h) Extend shelter services to victims of calamities, natural or man-made, as declared by the President. For this purpose, the Authority is given sufficient leeway by other government agencies to expedite said process.

II. Asset Management and Business Development

- a) Exercise the right of eminent domain, purchase, sell, lease and/or exchange lands for purposes of housing development, resettlement and other related services and facilities;

- b) Issue bonds or contract loans, credits, or indebtedness, including suppliers credit or any deferred payment arrangements with any person or entity, domestic or foreign, for the Implementation of its housing programs;
- c) Invest its funds, as it may deem proper, in bonds and securities issued and guaranteed by the government or by the Bangko Sentral ng Pilipinas (BSP), and to invest, own, or otherwise participate in equity in any establishment, firm or entity or to form, organize, invest in or establish and maintain a subsidiary or subsidiaries in relation to any of its purposes;
- d) Ensure the collection and recovery of all indebtedness, liabilities and/or accountabilities, due from all obligors, whether public or private, with the right to demand payment of the obligations referred to herein, and In the event of failure or refusal of the obliger or debtor to comply with the demand, to initiate and institute the necessary or proper actions or suits, criminal, civil administrative or otherwise, before the courts, tribunals, commissions, boards or bodies of proper jurisdiction: Provided that, the Authority may compromise or release, in whole or in part, any interest, penalty or civil liability to the Authority in connection with the collection or amortizations, under such terms and conditions as prescribed by the Board of Directors: Provided further that, the Board may, upon recommendation of the General Manager, deputize any member of the Authority's legal staff to act as special sheriff in foreclosure cases, in the sale or attachment of the debtor's properties, and in the enforcement of court writs and processes in case Involving the Authority; and
- e) Generate sources and formulate schemes for financing, with due delineation of government and private sector participation.

III. Management Services

- a) Formulate and enforce general and specific policies for housing and resettlement;
- b) Monitor and/or discharge of all responsibilities of the government as may arise from treaties, agreements, and other commitments on housing and resettlement to which it is a signatory, including the determination of forms of assistance for housing development to be extended through multilateral or bilateral assistance programs;
- c) c) Serve as central repository of database and census list of households/families along waterways, danger areas, government infrastructure project site and government owned lands in Metro Manila and all regions nationwide, which shall be used for subsequent government interventions with housing and resettlement component; and
- d) Approve restructuring proposal for the payment of unpaid amortizations under such terms and conditions as the Board of Directors may prescribe.

IV. General Powers

- a) Have the power of succession, to sue and be sued, to adopt and use a seal which shall be judicially noticed;
- b) Enter into contracts whenever necessary under such terms and conditions as it may deem proper and reasonable;
- c) Acquire property rights and interests, and encumber or otherwise dispose the same, as it may deem appropriate;
- d) Borrow funds from any source, private or government, foreign or domestic;
- e) Receive donations, grants, bequests and fund transfers from other branches of the government, and utilize the same for the attainment of its objectives. Such donations, grants and bequests shall be exempt from the payment of transfer taxes and be fully deductible from the gross income of the donor or granter for income tax purposes;
- f) Maintain a provident fund, which shall consist of contributions made by both the Authority and its officers and employees and their earning, for the payment of benefits to such officials and employees or their heirs under such terms and conditions as it may prescribe; and
- g) Perform such other acts not inconsistent with this Act, as may be necessary to effect the policies and objectives herein declared.

SEC 7. The Board of Directors; Its Composition. – The Board of Directors, hereinafter referred to as the "Board", is hereby reconstituted to have a maximum of thirteen (13) members, consisting of the following:

a) Eleven (11) ex officio members, namely:

1. Secretary of the Department of Human Settlements and Urban Development (DHSUD);
2. Secretary of the Department of Public Works and Highways (DPWH);
3. Secretary of the Department of Finance (DOF);
4. Secretary of the Department of Trade and Industry (DTI);
5. Secretary of the Department of Labor and Employment (DOLE);
6. Secretary of the Department of Environment and Natural Resources (DENR);
7. Secretary of the Department of Interior and Local Government (DILG);
8. Secretary of the Department of Budget and Management (DBM);
9. Director-General of the National Economic and Development Authority (NEDA);
10. Executive Secretary; and
11. General Manager of the Authority.

b) Two (2) expert panel members with expertise in housing, urban planning and development.

The two (2) expert panel members must have the following qualifications: (i) Filipino citizens and of good moral character; (ii) be of recognized probity and independence, (iii) must have distinguished themselves professionally in public, civic, or academic service; (iv) In the active practice of their professions for at least seven (7) years; and (v) not appointed within one (1) year after losing in the immediately preceding elections, whether regular or special.

The Secretary of the DHSUD shall be the ex officio Chairperson of the Board. Provided that, all appointive directors must have qualified under the Fit and Proper Rule, as defined by Republic Act 10149 or the Governance Commission for GOCCs (GCG) Law. An appointive director shall be for one (1) year, unless sooner removed for cause, however, the appointive director shall continue to hold office until the successor is appointed.

The Board shall meet regularly at least once a month but special meetings may be called either by the Chairperson or by seven (7) members of the Board, as may be necessary. Provided that, seven (7) members of the Board shall constitute a quorum and all decisions of the Board shall require the concurrence of at least seven (7) members.

SEC 8. Powers and Functions of the Board. – The Board shall have the powers and functions specified in this Act, as well as the usual corporate powers:

- a) Formulate, prescribe, and promulgate the implementing rules and regulations required under this Act;
- b) Promulgate such rules and regulations as may be necessary or proper for the effective exercise of the powers and functions, as well as the discharge of the duties and responsibilities of the Board, its officers and employees;
- c) Act upon the annual budget and such supplemental budgets of the Authority submitted by the General Manager. Provided that, the Board may reduce but may not increase any item proposed by the General Manager;
- d) Approve the Authority's organizational and administrative structures and staffing pattern, and to establish, fix, review, revise and adjust the appropriate compensation package of its officers and employees as submitted by the General Manager;
- e) Design, formulate, negotiate, and implement financial or investment schemes;
- f) Enter into such contract or agreement, as may be necessary, for the attainment of the purposes and objectives of this Act;
- g) Enter into and execute memoranda of agreements, joint ventures, long-term leases and management contracts with the private sector, which may include real estate developers or construction companies with dependable reputation and proven track record in developing and managing real estate ventures;
- h) Condone or compromise, in whole or in part, penalties, interests or civil liabilities imposed on beneficiaries with delinquent accounts who, for justifiable reasons prescribed by the Board, failed to pay on time any obligation due to the Authority;

- i) Render annual reports to the President and such special reports, as may be requested; and
- j) Exercise such other powers necessary for the attainment of the purposes of this Act.

SEC 9. Responsibilities of the General Manager. – The General Manager shall have the following responsibilities:

- a) Execute and administer the policies and resolutions approved by the Board of Directors and prepare its agenda;
- b) Direct and supervise the operations, management, and internal affairs of the Authority. The General Manager may delegate certain of his administrative responsibilities to other officers of the Authority, subject to the rules and regulations promulgated by the Board;
- c) Subject to the approval of the Board, to fix the number and salaries of and appoint, the subordinate officers and personnel of the Authority and to remove, or otherwise sanction, for cause, any such officer or employee pursuant to the Civil Service Commission;
- d) Represent the Authority In all dealings with other officers, agencies, and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign;
- e) Act, in the conduct of the business, on all matters that are not by this Act specifically reserved to the Board;
- f) Solely confer lot awards to the eligible beneficiaries;
- g) Decide, to the exclusion of courts and any other government agencies, cases filed questioning the propriety of lot awards granted to the Authority's beneficiaries; for this purpose, the General Manager may create a body for the Investigation and adjudication of such cases;
- h) Report and submit to the Board within thirty (30) days after the close of each fiscal year, if applicable, a comprehensive report of the operations of the Authority for the preceding year, and the state of its affairs; and
- i) Exercise sue other powers and duties as may be vested by the Board.

SEC 10. Assistant General Managers. – The General Manager shall be assisted by three (3) Assistant General Managers, who shall be appointed by the President, upon the recommendation of the General Manager. Provided, That at least one (1) Assistant General Manager shall be a career officer. The General Manager is further authorized to delineate and assign other functional areas or responsibilities of the Assistant General Managers.

SEC 11. Qualifications and Appointment. – No person shall be appointed General Manager and Assistant General Manager of the Authority unless he or she is a citizen and resident of the Philippines, of good moral character, of proven Integrity, probity, competence and has expertise in housing, urban planning and development.

SEC 12. Organizational Structure and Staffing Pattern. – Subject to the approval of the Governance Commission for GOCCs (GCG), the Board shall determine the Authority's organizational structure, and create new divisions or units, as it may deem necessary in accordance with civil service laws, rules and regulations.

Subject to the approval of the Board, the General Manager shall likewise determine the rates of allowances, honoraria and such other additional compensation which the Authority is hereby authorized to grant to its officers, technical staff and consultants, Including the necessary detailed personnel. In no case shall the rates of allowances, honoraria and such other additional compensation shall exceed ten percent (10%) of the annual total savings prior to the grant thereof, subject to confirmation of such savings by the Department of Budget Management (DBM) and the Commission on Audit (COA).

SEC 13. Exemption from Taxes and Regulatory Fees. – All laws to the contrary notwithstanding, the Authority, its assets and properties, and all accruals thereto and income or investment earnings therefrom, as well as supplies, equipment, papers or documents shall be exempt from any tax, assessment, fee, charge, or customs or import duty, of any kind, whether imposed by local or national entities.

The exemption includes, but is not limited to the following: income tax, real property tax, capital gains tax, transfer tax, value added tax, donor's tax and similar taxes; and building permit fee, fire inspection permit fee, environmental compliance certificate (ECC) fees and other regulatory fees. Similarly, the Authority shall be exempt from the payment of documentary stamp tax and registration fees, including fees required for the issuance of transfer certificates of titles.

Furthermore, to promote the policy of improving housing affordability, projects of the NHA, in cooperation with local government units, the private sector and other entities, shall also enjoy the exemptions enumerated above.

SEC 14. Lands for Authority Projects, Management, Conversion and Classification. – Lands identified and designated for Housing and Urban and Rural Development, pursuant to Section 24 of Republic Act No. 11201, shall be assessed by the Authority for program or project feasibility. Should the site evaluation be in the affirmative, said lots shall forthwith be transferred to the Authority.

This shall not, however, preclude the Authority from pursuing its continuing mandate of identifying, acquiring and managing lands for the immediate and future needs of its beneficiaries. In pursuit thereof, the Authority must consider, among others, the degree of availability of basic services and utilities, access to modes of transport, proximity to economic opportunities and the preservation of the social capital of beneficiaries.

Furthermore, all lands acquired by the Authority, for any of its programs and projects, shall be automatically converted and/or re-classified, in order to facilitate its immediate development. The Authority, in coordination with the DHSUD, the DILG, the DA and the DAR shall craft the rules and regulations necessary to implement this provision.

The conversion and reclassification of lands for housing projects shall be without prejudice to the rights of the beneficiaries under Republic Act No. 6657, as amended.

SEC 15. Designation of the National Housing Authority (NHA) as lead Agency in the Disposition Program. – The Authority, under the supervision of the DHSUD, shall take the lead in the disposition activities of the lands in the preceding section: Provided, that disposition activities shall include the preliminary stages of identification and evaluation of lands suitable for disposition under this Act.

The DHSUD is hereby directed to submit immediately an updated list of government-owned lands suitable for socialized housing purposes. The DHSUD shall also make recommendations for the President relative to the disposition of the lands subject hereof.

SEC 16. Management or Disposition of Completed Projects. – The Authority shall determine, establish and maintain the most feasible and effective program for the management or disposition of specific housing or resettlement projects. Unless otherwise decided by the Board, completed housing or resettlement projects shall be managed and administered by the Authority until it has been turned over to the concerned local government unit or other concerned public or private entity, as the case may be.

SEC 17. Issuance of Bonds. – Subject to the approval of the Secretary of Finance, after consultation with the Monetary Board of the Bangko Sentral ng Pilipinas, the Authority is hereby authorized to issue bonds and other securities to finance the implementation of its housing programs. Provided, That only so much of such bonds or securities shall be issued and sold as the annual project implementation would require. Provided further, That no bonds or securities shall be issued unless eighty percent (80%) of those already issued had been

sold. Provided finally That, the total amount of the bonds or securities issued shall in no case exceed ten times its paid up capital and surplus.

The Authority, in consultation with the Secretary of Finance and the Monetary Board, shall prescribe the form, the rate of Interest, and denominations, maturities, negotiability, call or redemption features and all other terms and conditions of the bonds and securities to be issued.

In the promotion of the sale bonds or securities, the Authority is authorized to adopt the lottery scheme enunciated under existing laws, rules and regulations.

The bonds and securities Issued under this Act including the income thereof shall be exempt from all kinds of taxes and from attachment, execution and seizure which facts shall be stated on the face thereof.

A sinking fund shall be established by the Authority in such manner that the total annual contribution thereto, accrued at such rate of interest as may be determined by the Secretary of Finance in consultation with the Monetary Board, shall be sufficient to redeem at maturity the bonds or securities issued pursuant to this Act. The sinking fund shall be under the custody and administration of the Bangko Sentral ng Pilipinas which may Invest the same in Bangko Sentral Certificates of Indebtedness and similar financing schemes subject to the approval of the Authority in consultation with the Secretary of Finance: Provided, that the proceeds from such scheme shall accrue to the Authority

SEC 18. Guarantee by the Government. – The Republic of the Philippines hereby guarantees the payment of both the principal and the interest of the bonds, debentures, collaterals, notes or such other obligations issued or incurred by the Authority by virtue of this Act, and shall pay such principal and interest in case the Authority fails to do so. In such event, the Republic of the Philippines shall succeed to all the rights of the holders of such bonds, debentures, collaterals, notes or other instruments to the extent of the payment made, unless the sum so paid by the Republic of the Philippines shall be refunded by the Authority within a reasonable time.

SEC 19. SSS and GSIS Participation. – Notwithstanding any provision of the respective charters to the contrary, the Social Security System (SSS) and the Government Service Insurance System (GSIS) shall absorb all or part of the bonds or securities Issued by the Authority In such proportion. as may be determined by the National Economic and Development Authority (NEDA) and approved by the President.

SEC 20. Reports. – The Authority shall submit an annual report to the Office of the President, copy furnished to the Department of Human Settlements and Urban Development, indicating, among others, the housing program being implemented, the stage of implementation, and the financial position of the Authority. It shall likewise submit such periodic or other reports as may be required from time to time.

SEC 21. Audit. – The Chairperson of the Commission on Audit (COA) shall act as the ex-officio auditor of the Authority, and accordingly, is empowered to appoint a representative and other subordinate personnel to perform and report on such audit duties, responsible to and removable only by the COA Chairperson, without prejudice, however, to the power of the Board of Directors to contract for another mode of independent audit service, in addition to that provided by COA as provided for under Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

SEC 22. Implementing Rules and Regulations. – The implementing rules and regulations to effectively carry out the provisions of this Act shall be adopted by and promulgated by the Board of Directors of the Authority, not later than ninety (90) days after the approval of this Act.

The Departments, charged with crafting the implementing rules and regulations to effectively carry out Section 14 hereof, are given thirty (30) days after the approval of the Act to enact the same.

SEC 23. Applicability of the Revised Corporation Law. – The provisions of the Revised Corporation Code, in so far as they are not inconsistent with the provisions and policies provided in this Act, shall be applicable to the Authority.

SEC 24. Separability Clause. – If, for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or Invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC 25. Repealing Clause. – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC 26. Effectivity. – This Act shall take effect fifteen (15) days after its publication In the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,