

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 71



Introduced by **REP. JOSE FRANCISCO “KIKO” B. BENITEZ, Ph.D.**

EXPLANATORY NOTE

The Philippines is one of the fastest urbanizing countries in the East Asia and Pacific region¹. In 2015, the level of urbanization or the proportion of urban population to total population is 51.2 percent or 51.73 million persons. By 2050, 84 percent of the population will live in cities and urban areas².

Cities are catalysts of economic growth. Urban areas account for 75 to 80 percent of the country's gross domestic product since 2000³. The National Capital Region (NCR) alone contributed 38 percent of the GDP on average in the period 2010-2015⁴.

Urbanization provides resources and opportunities for employment, livelihood, services and innovation, driving rural-urban migration. According to a survey conducted for AmBisyon 2040, the country's long-term development plan, 30 percent of Filipinos prefer to live in big cities while 29 percent want to live in urban centers in the province.

However, cities fall short on its promise of prosperity for all. Poverty incidence in urban areas remains prevalent at 12.5 percent in 2012⁵.

Vulnerability of the poor in urban areas is aggravated by spatial exclusion and exposure to natural and health hazards. Due to increasing competition for land and land speculation, cost of land skyrockets, making housing unaffordable to low-income families. The urban poor find refuge in informal settlements that lack basic infrastructures, utilities and services. In Metro Manila alone, 584,000 families live in informal settlements. Meanwhile, the adverse impact of climate change and natural disasters threaten to displace families living in danger zones, estimated at 104,000. Around 70 percent of cities in the Philippines are coastal and vulnerable to environment hazards⁶.

Moreover, inadequate transportation infrastructures, alongside the spike in volume of motor vehicles, results in worsening traffic congestion, incurring 3.5 billion daily in economic losses, according to the Japan International Cooperation Agency. The high carbon footprint of fossil-fueled motor vehicles also poses health and environmental risks. According to the State of

¹ World Bank (2017). Philippines Urbanization Review: Fostering Competitive, Sustainable and Inclusive Cities.

² UN Habitat (2015). Achieving Sustainable Urban Development Philippines Project Brief. The World Bank estimates the level of urbanization at 65 percent in 2050. Meanwhile, the Philippine Development Plan 2017-2022 estimates urban population at 56 percent by 2050, citing the 2014 World Urbanization Prospects.

³ Asian Development Bank (2012). Philippines Urban Sector Assessment and Road Map.

⁴ Philippine Development Plan 2017-2022.

⁵ Philippine Statistics Authority. Family Income and Expenditure Survey 2012.

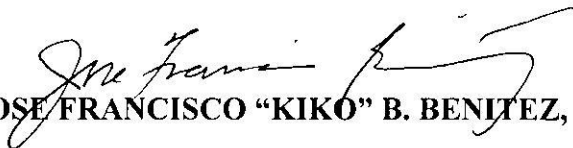
⁶ Asian Development Bank (2014). National Urban Assessment.

Global Air 2019 Report, the Philippines is among the top ten (10) countries with highest mortality attributable to air pollution, with 64,000 deaths.

To abate urban dysfunctions and fulfill the promise of economic and social inclusion of urbanization, the State must enact policies and institute programs ensuring inclusive, resilient and sustainable urban development, in accordance with the Constitution and in the performance of our commitment to and responsibilities under the 2030 Agenda for Sustainable Development and the New Urban Agenda, which calls for the recognition, promotion and protection of the right to the city of all people.

Towards this end, the State must ensure the equitable and sustainable distribution of urban resources, inclusive social order, embracing and celebrating the diversity of identities and cultures, and meaningful participation in urban planning and governance.

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


JOSE FRANCISCO "KIKO" B. BENITEZ, Ph.D.

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AN ACT
PROVIDING FOR THE DEVELOPMENT OF SUSTAINABLE CITIES AND
COMMUNITIES IN THE COUNTRY, AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as the "Sustainable Cities and Communities Act".

SEC. 2. *Declaration of Policy.* – The State shall, pursuant to the constitutional mandate to undertake a continuing program of urban land reform and housing which will make available to underprivileged and homeless citizens decent and affordable housing, access to basic services, and adequate employment opportunities, and in consonance with the constitutional guarantees on social justice, general welfare, public health, and ecological balance, recognize the right to the city of all which encompasses the collective access to sustainable resources, meaningful participation in urban planning and governance, and social inclusion.

It is likewise declared the policy of the State to promote inclusive, resilient, and sustainable urban development.

Toward these ends, the State shall ensure the inclusive use of urban space for housing and livelihood, improve access to basic services, develop integrated public transportation systems and green infrastructures, protect ecosystems, and manage risks to climate change and disasters.

Further, the State shall pursue programs to celebrate diversity and cultural heritage, foster creativity, innovation, and participation in urban planning and policy-making, and maintain public order and safety through the prevention of crime, violence and discrimination.

SEC. 3. *Coverage.* – All cities and municipalities, with a majority of barangays classified as urban by the Philippine Statistics Authority (PSA), hereinafter referred to as urban areas, are hereby mandated to align their plans, programs and activities towards the full implementation of this Act.

SEC. 4. *Guiding Framework for Sustainable Cities and Communities.* – To fulfill its economic, political and social functions, a local government unit covered under this Act shall

conform with and implement plans, programs and activities, guided by Ambisyon 2040 and the Philippine Standards for Sustainable Cities and Communities, according to the following principles:

- (a) Inclusive urban circular economy which creates decent jobs with fair wages; supports entrepreneurship, creativity and innovation; ensures safe and non-discriminatory working environments; and promotes resource-efficient industries and consumption;
- (b) Spatial justice which promotes multiple use of land to prevent forced evictions, displacement, marginalization, and gentrification; and ensures that urban development provides vulnerable and marginalized sectors the access to safe, adequate and affordable housing under different tenurial arrangements, giving priority to on-site resettlement, as well as universal healthcare, accessible education, infrastructures, livelihoods, food security and nutrition; and safe and inclusive public spaces that foster social cohesion;
- (c) Urban renewal which includes slum upgrading to improve housing, infrastructures and services; urban greening, including the promotion of urban agriculture for food security and communal wellness; and the development of inclusive, safe, accessible and enjoyable open spaces and parks;
- (d) Urban mobility and connectivity which provides for inclusive, safe, accessible, affordable, efficient and sustainable public transportation through the development of adequate transportation infrastructures, utilities and intermodal transportation systems, including non-motorized modes of transportation to strengthen global and urban-rural linkages and management;
- (e) ICT infrastructure for digital connectivity which provides for fast, secure, stable, and affordable internet connectivity that would be able to cater to technological innovations and enhance digitalization to strengthen global and urban-rural linkages and management;
- (f) Urban safety which ensures freedom of all persons, regardless of gender, age, health status, income, nationality, ethnicity, and political, religious or sexual orientation from crimes and all forms of violence and discrimination in the workplace and public spaces;
- (g) Ecological balance which requires the sustainable management of natural resources; protection and conservation of biodiversity, natural ecosystems and landscapes; proper waste management and sanitation; provision of green infrastructures; and the development and use of renewable energy sources in transportation, industry and households to reduce carbon footprint and improve water and air quality;
- (h) Climate resilience which builds the capacity of urban areas to adapt to and manage threats and risks posed by climate change and disasters to constituents especially vulnerable groups, and to facilitate post-disaster rehabilitation and recovery;

- (i) Cultural diversity which respects, protects, and promotes the diverse livelihoods, customs, memory, identities, expressions, and sociocultural forms of its inhabitants; preserves tangible cultural heritage, such as artistic creations, historical sites and monuments; and safeguards intangible cultural heritage, such as oral traditions, performing arts, indigenous knowledge and traditional skills, as well as the instruments, objects, artifacts and cultural spaces associated therewith;
- (j) Participatory urban governance which involves political participation in the formulation, implementation, monitoring, and budgeting of urban policies in order to promote transparency, effectiveness, and inclusiveness in the engagement of a diverse set of inhabitants and their organizations, especially of urban poor and marginalized groups, upholding communal spirit and supporting community-building; and
- (k) Alignment of economic, social, and environmental policies between and among national, regional, city, and municipal government units, facilitating the achievement of the goals of each unit.

The Department of Human Settlements and Urban Development (DHSUD), in consultation with relevant government agencies, local government units, civil society organizations, the private sector and the academe, shall, within 180 days from the effectivity of this Act, harmonize existing national housing and urban development plans with this Act and formulate, in coordination with the Department of the Interior and Local Government (DILG), the National Economic and Development Authority (NEDA), and the PSA, a National Housing and Urban Development Sector Plan (NHUDSP) to operationalize the goals of this Act, taking into consideration the unique and evolving economic, social and institutional contexts of the country.

The NHUDSP shall provide short-term, medium-term, and long-term strategic plans to achieve the goals of this Act.

The NHUDSP shall also generate estimates and projections to determine present and future demand for infrastructures and services in urban areas, and shall identify policy and program interventions to address challenges to sustainable urban development, and specific periodic targets and indicators and investment requirements thereof.

SEC. 5. *Targets and Indicators.* – In preparing the NHUDSP, the DHSUD, NEDA, DILG, and the PSA shall be guided by the principles provided under Section 4 of this Act, as well as the targets and indicators set forth in the 2030 Agenda for Sustainable Development and the New Urban Agenda of the United Nations:

- (a) Urban population living in slums - measured in terms of proportion of urban population living in slums, informal settlements or inadequate housing;
- (b) Public transport access - measured in terms of proportion of population that has convenient access to public transport, by sex, age, income group, and persons with disability;
- (c) Sustainable urbanization rates - measured in terms of ratio of land consumption rate to population growth rate;

- (d) Urban planning and management - measured in terms of proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically;
- (e) Protecting cultural heritage - measured in terms of total public and private expenditure per capita spent on the preservation, protection and conservation of all cultural and natural heritage;
- (f) Deaths and injuries from disasters - measured in terms of number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population;
- (g) Economic losses from disasters - measured in terms of direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters;
- (h) Solid waste management - measured in terms of proportion of urban solid waste regularly collected and with adequate final discharge out of total urban solid waste generated;
- (i) Urban air quality - measured in terms of the annual mean levels of fine particulate matter;
- (j) Open spaces in cities - measured in terms of average share of the built-up area of cities that is open space for public use for all, by sex, age and persons with disability;
- (k) Safe spaces in cities - measured in terms of proportion of persons who are victims of physical or sexual harassment, by sex, age, persons with disability, and place of occurrence, in the previous 12 months;
- (l) Urban and regional planning - measured in terms of proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city;
- (m) Integrated disaster risk management - measured in terms of adoption and implementation of national disaster risk reduction strategies;
- (n) Local disaster risk management - measured in terms of adoption and implementation of local disaster risk reduction strategies in line with national disaster risk reduction strategies;
- (o) Urban economy - measured in terms of percentage of the labor force in the education and Research and Development sectors, and unemployment rate and number of businesses;
- (p) Innovation-gear education - measured in terms of the number of Science, Technology, Engineering, and Mathematics higher education degrees;

- (q) Use of renewable energy - measured in terms of percentage of consumed energy from renewable sources;
- (r) Universal healthcare - measured in terms of number of in-patient hospital beds and physicians;
- (s) Food security - measured in terms of percentage of city budget spent on initiatives on urban agriculture;
- (t) Water and wastewater management - measured in terms of water consumption per capita, percentage of households with access to basic water supply, percentage of treated wastewater that is reused;
- (u) Access to ICT services - measured in terms of proportion of population that has access to fast, secure, stable, and affordable internet services to cater and accommodate online or digital transactions or services necessary for the conduct of daily activities in the modern society; and
- (v) Such other targets and indicators as determined by DHSUD, NEDA, DILG, and PSA consistent with the principles that guide sustainable cities and communities as provided in Section 4 of this Act: Provided, That at any time, but not more than once every five years, such targets and indicators may be reviewed or revised as the need arises to conform to changes and new developments brought about by the latest trends in institutionalizing sustainable cities and communities.

SEC. 6. *Urban Planning and Development.* – The DHSUD, in coordination with NEDA, DILG, and DPWH shall provide technical assistance to local government units in the integration of the pertinent provisions of this Act, the National Urban Development and Housing Framework, and the NHUDSP in their Annual Development Plans, Annual Investment Plans, Physical Framework Plans, Development Master Plans, Comprehensive Land Use Plans, Disaster Risk Reduction and Management Plans, and similar plans.

National agencies and local government units shall ensure the genuine and adequate participation in urban, regional, spatial and environmental planning; Provided, That, access to information, official records, public records and to documents and papers pertaining to official acts, transactions or decisions, and research data related to urban development to enable informed participation in the decision-making shall be made available pursuant to Section 7, Article III of the 1987 Constitution.

SEC. 7. *Incentives for Sustainable Cities.* – The DILG and the Department of Budget and Management shall incorporate the annual targets set by DHSUD, DILG, and NEDA in the awarding of the Seal of Good Local Governance under Republic Act No. 11292 otherwise known as "The Seal of Good Local Governance Act of 2019."

SEC. 8. *Appropriations.* – National government agencies and local government units shall include in their respective programs the needed operational and institutional requirements in upholding the enumerated rights in this Act which fall within their respective legal mandates, the initial funding of which shall be charged against their current appropriations. Thereafter, such sums as may be necessary for the continued implementation of this Act by the national government agencies shall be included in the annual General Appropriations Act.

The National Government and local government units shall accordingly pursue alternative resource mobilization strategies, including, but not limited to, public-private partnerships with guidance of the Public-Private Partnership Center, official development assistance, and land value capture, to leverage public resources and maximize their value to finance the operational requirements of this Act.

SEC. 9. *Public Participation.* – National Agencies and Local Government Units shall ensure the genuine and adequate participation in urban, regional, spatial and environmental planning through the following:

- (a) Incentives for the private sector - the Department of Finance shall provide incentives to the participation of the private sector in the achievement of the goals identified under this Act, in accordance with Republic Act No. 10771, otherwise known as the “Philippine Green Jobs Act of 2016”;
- (b) Capacity building for communities - the DHSUD shall provide technical assistance to homeowners’ associations, neighborhood associations, people's organizations, and other local organizations to empower them as partners in achieving the goals of this act, and enable them to undertake community-level actions towards becoming sustainable communities; and
- (c) Informed participation - information, education and communication materials shall be developed to make the NHUDSP accessible to all. Every Filipino shall have access to information, official records, public records and to documents and papers pertaining to official acts, transactions or decisions, and research data related to urban development to enable informed participation in the decision-making process.

SEC. 10. *Report to Congress.* – The DHSUD, NEDA, and DILG shall submit an annual report on the performance of their respective duties provided for under this Act and the compliance of cities and urban municipalities to the provisions of this Act to Congress of the Philippines, through the Committee on Housing and Urban Development of the House of Representatives and the Committee on Urban Planning, Housing and Resettlement of the Senate.

SEC. 11. *Implementing Rules and Regulations.* – Within six (6) months from the effectivity of this Act, the DHSUD, in consultation with the NEDA, DILG, PSA, local government units, civil society organizations, the private sector and the academe, shall promulgate the implementing rules and regulations for the effective implementation of this Act.

SEC. 12. *Separability Clause.* – If any provision of this Act or a portion thereof is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 13. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. *Effectivity.* – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in a newspaper of general circulation.

Approved.