

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

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 428



Introduced by Hon. Neptali M. Gonzales II

EXPLANATORY NOTE

Article XIII, Section 9 of the 1987 Constitution on Social Justice and Human Rights directs the State to undertake a continuing program of urban land reform and housing that will provide inexpensive but decent housing and basic services to homeless Filipinos in urban and resettlement areas.

In fulfillment of this constitutional mandate, Congress enacted RA 7279, otherwise known as the Urban Development and Housing Act of 1992 which provided, among others, for the rehabilitation and development of blighted and slum areas and resettlement only if on-site development is not feasible. Section 26 of RA 7279 emphasized that "on-site development shall be implemented whenever possible in order to ensure minimum movement of occupant of blighted lands and slum areas."

Subsequently, RA 9397 was enacted amending the Urban Development and Housing Act of 1992. The approval of RA 9397 addressed the need of the organized urban poor in lands owned by the national government, local government units, government agencies and instrumentalities for security in land tenure and ownership by allowing purchase thereof via direct negotiated sale to occupants without the need for public bidding to subject to several conditions:

- "a) The lands are within a residential zone as classified by the local government unit concerned;*
- "b) The lands are certified to be for socialized housing purpose by the Housing and Urban Development Coordinating Council;*
- "c) The occupants are qualified beneficiaries in accordance with Section 16 and are registered as such in accordance with Section 17 of this Act;*
- "d) The cost of said lands shall be made affordable to the beneficiaries, taking into consideration their income and land valuation required in Section 13 of this Act;*
- "e) Any subsequent disposition of the said land shall be subject to the limitations provided in Section 14 of this Act; and*

“f) The occupants have resided on the said lands subject to the prohibitions provided in Section 30 of this Act.”

Since the early 2000s, occupants-informal settlers in Welfareville, Mandaluyong have organized themselves in their bid to purchase the lots they have resided in for so many years. The Welfareville property in Mandaluyong City was set aside by the government in 1925 for the establishment of welfare institutions. It consists of approximately 30 hectares of land, portions of which are occupied by informal settlers. When RA 9397 came into effect in 2007, organized Welfareville residents petitioned the Mandaluyong local government and the Office of the President for a chance to acquire by purchase through installment the lots on which their houses were built. A stumbling block to this aspiration, however, is Republic Act 5260 entitled “An Act Authorizing a Committee Composed of the Administrator of the Social Welfare Administration, the Auditor General and the Secretary of the Department of General Services to sell the Welfareville Property Located in the Municipality of Mandaluyong, Province of Rizal, and for Other Purposes”. RA 5260 requires the sale of the Welfareville Property to be conducted through public bidding.

This bill seeks to amend RA 5260 by allowing the sale of the Welfareville Property, except the areas occupied by the National Center for Mental Health and the Correctional Institution for Women, through direct negotiated sale to the organized residents therein, and without public bidding. If enacted into law, the bill will not contradict the intent and purpose of RA 5260 which is to utilize the proceeds of the sale of the Welfareville property for the establishment of children’s home institutions and provision of community services to children. The bill is likewise consistent with RA 9397 which allows direct negotiated sale without public bidding to actual occupants of lands owned by the government. Moreover, the bill ensures the minimal movement of informal settlers and the least disturbance of their rights pursuant to the mandate of the 1987 Constitution and the Urban Development and Housing Act of 1992.

In the light of the foregoing, earnest approval of this bill is sought.


NEPTALI M. GONZALES II

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AN ACT
DECLARING CERTAIN PORTIONS OF THE WELFAREVILLE PROPERTY
LOCATED IN THE CITY OF MANDALUYONG OPEN FOR DISPOSITION TO
BONA FIDE RESIDENTS WITHOUT PUBLIC BIDDING AND FOR OTHER
PURPOSES

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

SECTION 1. Declaration of Policy. – It is hereby declared the policy of the State to secure the land tenure of the urban poor. Pursuant to Sections 9 and 10 of Article XIII of the Constitution and Republic Act No. 7279, also known as the “Urban Development and Housing Act of 1992”, certain portions of the Welfareville property owned by the national government in the City of Mandaluyong shall be utilized for socialized housing.

SECTION 2. Direct Negotiated Sale Without Public Bidding of the Welfareville Property. – The Welfareville property, except the areas occupied by the National Center for Mental Health (NCMH) and the Correctional Institution for Women (CIW), is hereby declared alienable and disposable and shall be sold through direct negotiated sale to *bona fide* residents therein without public bidding: **Provided**, That the applicable conditions provided under Section 12 of Republic Act No. 7279, as amended, shall be complied with; **Provided, also**, That the determination of *bona fide* residents shall be based on the census verification

survey conducted by the Welfareville Commission of the Local Government of the City of Mandaluyong in 2003 or on continuous residency or ownership of residential structures for at least ten (10) years before the effectivity of this Act as certified by the barangay chairperson concerned and the local government of the City of Mandaluyong; **Provided, further,** That persons or families classified as *bona fide* residents in the NCMH and CIW areas for having been included in the census verification survey of 2003 or who have continuously maintained residence or owned a residential structure in these areas for at least ten (10) years prior to the effectivity of this Act as certified by the barangay chairperson and the local government of the City of Mandaluyong, shall be allowed to purchase lots within the disposable and alienable portion of the Welfareville property, also through direct negotiated sale without public bidding; **Provided, furthermore,** That a nonnegotiable condition of the sale to *bona fide* residents therein shall be annotated on their titles to the effect that, except for testate or intestate succession, the residents cannot assign, sell, convey, or dispose of their rights to any party within a period of twenty (20) years from the date of purchase; **Provided, finally,** That the proceeds of the sale shall be exclusively used and expended in accordance with Section 2 of Republic Act No. 5260, otherwise known as "An Act Authorizing a Committee Composed of the Administrator of the Social Welfare Administration, the Auditor General and the Secretary of the Department of General Services to Sell the Welfareville Property Located in the Municipality of Mandaluyong, Province of Rizal, and for Other Purposes".

SECTION 3. Cadastral Survey. – The Bureau of Lands shall undertake a cadastral survey of the disposable and alienable portions of the Welfareville property referred to in this

Act for the purpose of determining the actual boundaries of said area. The Bureau shall also submit its report to the Welfareville Trustee Committee.

SECTION 4. Trustee Committee. – There is hereby created a Trustee Committee to be composed of the Secretary of the Department of Social Welfare and Development as the Chairperson; the Secretary of the Department of Environment and Natural Resources; the Chairperson of the Presidential Commission for the Urban Poor; the Representative of the Lone District of the City of Mandaluyong; the Mayor of the City of Mandaluyong; the Chairperson of the Housing and Urban Development Coordinating Council; and two (2) representatives from the duly recognized people's organizations, as members thereof. The representatives of the duly recognized people's organizations shall be appointed by the Chairperson of the Trustee Committee upon the recommendation of the organization they represent.

SECTION 5. Powers And Functions of the Trustee Committee. – The Trustee Committee shall have the following powers and functions:

1. To determine the *bona fide* residents based on the census verification survey conducted by the Welfareville Commission of the Local Government of the City of Mandaluyong in 2003;
2. To formulate a schedule of implementation of the sale;
3. To supervise the sale except the areas occupied by the NCMH and CIW;
and
4. To administer the proceeds of the sale and its utilization.

SECTION 6. Implementing Rules and Regulations. – The Trustee Committee shall formulate the rules and regulations to effectively implement the provisions of this Act within sixty (60) days from the effectivity of this Act.

SECTION 7. Appropriations. – The amount necessary for the operations of the Trustee Committee shall be included in the budget of the Department of Social Welfare and Development in the annual General Appropriations Act.

SECTION 8. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the remaining provision not affected thereby shall continue to be in full force and effect.

SECTION 9. Repealing Clause. – Section 1 of Republic Act No. 5260 and all laws, decrees, orders, rules and regulations, issuances, or parts thereof which are inconsistent with any provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 10. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,