



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH (19th) CONGRESS
First Regular Session

House Bill No. 1429



Introduced by: Hon. Ma. Victoria Co - Pilar

EXPLANATORY NOTE

Home settlement is a vital element of our survival. The housing settlement policy and program of the Government reflects its efforts in providing a basic human need. It echoes the personal values we hold on how we act to survive together. The 1987 Constitution acknowledged our obligation to each other when it declared that the State shall value the dignity of every human person, and guarantee full respect of human rights. The declaration mandates us to act on an ancient right.

The Covid-19 pandemic has slowed down all kinds of Government initiative for more than 2 years. We are now faced with the task of accomplishing economic recovery despite the obstacles at hand. Most of our citizens are living through the pandemic with undesirable living standards, worst they are facing the effects of this unprecedented onslaught without a home. The implementation of our programs and policies on human settlements must be implemented swiftly if we seek to stimulate economic activity towards recovery. Hence it is upon us to aid our Executive agencies within the bounds of law and of our mandate. The corporate term of the National Housing Authority is about to expire on October 15, 2025, it is wise that we move swiftly for the extension of its corporate term.

In light of this, this Bill seeks to extend the corporate term of the National Housing Authority for a period of 50 years. This extension will allow the National Housing Authority to formulate long term policies and implement its ongoing projects. Further, the Bill will enable the institutionalization of adopting

new and cost-effective construction technologies for future housing programs. Lastly, the strengthening and extension of its corporate term, is an expression of our commitment to reduce homelessness and effort in providing a dignified home to our fellow Filipinos.

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

A handwritten signature in black ink, appearing to be "Giti", is written over the text "In view of the foregoing, approval of this bill is earnestly sought."



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1

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AN ACT

3

**STRENGTHENING THE NATIONAL HOUSING AUTHORITY, EXTENDING
ITS CORPORATE TERM, AMENDING FOR THE PURPOSE PRESIDENTIAL**

4

DECREE NO. 757

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

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Congress assembled:

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

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Act."

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SECTION 2. Declaration of Policy. – It is the policy of the State to ensure a

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continuing program of urban land reform and housing, which will make available at

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affordable cost, decent adequate housing and basic services particularly for

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underprivileged and homeless citizens, in order to alleviate poverty, to address the rising

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cost of living, and promote improved quality of life for all.

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

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(a) Expand the people's access to affordable, adequate, safe, and secure housing in

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well-planned communities;

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(b) Enable informal settler families (ISFs) as defined under Section 3(e) of Republic

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Act (RA) No. 11201 otherwise known as the Department of Human Settlements and

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Urban Development Act, to live in resilient, vibrant, and connected urban

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communities;

(c) Promote inclusive and integrated housing that are culturally sensitive, responsive to local context and 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 projects;

(f) Promote adaptability of housing development projects to climate change, including nature-based solutions that integrate mechanisms for flood absorption and rainwater harvesting;

(g) Make land available and accessible for housing; and

(h) Promote and support community-led housing through people's planning and participation.

SECTION 3. *Statement of Objectives.* - Toward 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, alternative, and people-led solutions in addressing the housing needs of ISFs, the low-income families and the vulnerable sectors;

(c) Generate income through the efficient utilization of assets to support the programs of the Authority;

(d) Adopt viable land acquisition and management approaches; and

(e) Enhance housing programs in consonance with current climate resiliency standards and policies, to fully promote stability, adaptability, and better socio-economic outcomes.

SECTION 4. *Extension of Corporate Term and Its Effect.* - The corporate term of the government corporation known as the National Housing Authority, referred to in this Act as the "Authority", created by virtue of Presidential Decree (PD) No. 757, is hereby extended for a period of Fifty (50) years, upon the approval of this Act.

1 The Authority shall continue to perform its mandates, exercise its powers and functions,
2 enjoy its rights and incentives, and assume its liabilities, as contained in PD 757, and as
3 provided in this Act, unless expressly repealed herein.

4 **SECTION 5. *Principal Office.*** – The Authority shall retain its principal office at
5 the Authority's Main Office on Elliptical Road, Diliman, Quezon City 1101, but may
6 have such regional and district offices, agencies, or subsidiaries in other areas all over the
7 country, as it may deem proper and necessary.

8 **SECTION 6. *Powers and Functions of the Authority.*** The Authority, in line with
9 its role as the primary national government agency engaged in direct housing production,
10 and in pursuit of the foregoing policies and objectives, shall also exercise the following
11 powers and functions:

12 **I. Housing Operations and Support Services**

13 (a) Develop and implement comprehensive and integrated housing programs in
14 coordination with the appropriate government agencies:

15 i. programs for the improvement of blighted urban areas;

16 ii. direct housing production and disposition primarily for ISFs and the
17 underprivileged and homeless;

18 iii. relocation of families subject of court-ordered eviction;

20 iv. housing programs for low-income and homeless government employees and
21 uniformed personnel; and
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23 v. any other housing program or project for the underprivileged, underserved,
24 homeless, as well as low income households that the Authority may deem proper
25 and appropriate.

26 (b) Prescribe guidelines and standards for the preservation, conservation and
27 utilization of public lands identified for housing and resettlement;

28 (c) Design and implement, in coordination with the concerned local and national
29 government agencies, sustainable livelihood programs and, which are fully funded
30 by the national government, responsive to the needs of NHA's housing
31 communities, and, whenever practicable, with the participation of civil society
32 organizations and the private sector;
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- 1 (d) Develop and undertake other urban and rural development projects including
2 basic community facilities, by itself or through joint ventures or other
3 arrangements with public and private entities, including private developers, and in
4 coordination with other government agencies;
- 5 (e) Improve, redevelop, or revitalize completed but not yet turned-over housing
6 projects of the Authority by constructing additional community structures or,
7 whenever necessary, by demolishing previously erected structures similar in
8 nature, subject to law and regulations;
- 9 (f) Provide technical and other forms of assistance to local government units
10 implementing housing programs, or to private developers undertaking low-cost
11 housing projects, subject to the policies of the Authority;
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13 (g) Undertake financing of housing programs initiated by local government units
14 or local communities and local housing cooperatives;
- 15 (h) Extend housing assistance and shelter services to victims of calamities, natural
16 or man-made, as declared by the President or any competent authority; for this
17 purpose, the Authority is given sufficient leeway by the other government
18 agencies to expedite the process;
- 19 (i) Support national government agencies and local government units requiring
20 assistance in the implementation of their programs and projects for socialized
21 housing by producing housing units for ISFs and low-income families identified
22 for priority relocation, including those residing in areas earmarked for national
23 infrastructure projects of the Department of Public Works and Highways and the
24 Department of Transportation;
- 25 (j) Ensure that the housing requirements of beneficiaries of presidential
26 proclamations are met. Such housing projects shall be compliant with the
27 standards set by the Department of Human Settlements and Urban Development
28 (DHSUD) for climate resiliency; and
- 29
30 (k) Provide technical assistance to the concerned condominium corporation, on
31 the maintenance of structures and facilities and collection of payments.

32 **II. Asset Management and Business Development**

- 33 (a) Exercise the right of eminent domain, purchase, sell, lease or exchange lands
34 for purposes of housing development, resettlement, and other related services and
35 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, and to invest, own or otherwise participate in equity in any establishment, firm or entity; to form, organize, invest in or establish and maintain subsidiary or subsidiaries in relation to any of its purposes;

(d) Subject to RA 10149, otherwise known as the GOCC Governance Act of 2011, form, organize, invest in or establish and maintain a subsidiary or subsidiaries, in relation to any of its purposes;

(e) Ensure the collection and recovery of all indebtedness, liabilities or accountabilities, due from all obligors, whether public or private; to demand payment of the obligations referred to herein, and in the event of failure or refusal of the obligor 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, however*, 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 and such compromise or release shall be with the approval of the Board: *Provided, further*, That the Board may, upon recommendation of the General Manager, depute 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 cases involving the Authority. The special sheriff of the Authority shall make a report to the proper court after any action taken by him which shall treat such action as if it were an act of its own sheriffs in all respects; and

(f) Generate sources and formulate schemes for financing, with due delineation of government and private sector participation.

(g) Engage in landbanking by acquiring and investing in lands in or near planned areas for development such as urban hubs, commuter rails, toll highways, and airports for purposes of socialized housing development.

III. Management Services

(a) Formulate and enforce general and specific policies for housing and resettlement;

(b) Monitor and discharge all responsibilities of the government as may arise from treaties, agreements, and other commitments on housing and resettlement to which the Philippine government is a signatory, including the determination of forms of assistance for housing development to be extended through multilateral or bilateral assistance programs;

(c) Contribute to the database of the DHSUD which includes the census of households and families along danger areas, government infrastructure project site and government owned lands, which shall be used for subsequent government interventions with housing and resettlement component; and,

(d) Approve restructuring plan 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 grantor 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 subject to the provisions of RA 10149 and other executive issuances; and

(g) Perform such other acts not inconsistent with this Act, as may be necessary to effect the policies and objectives herein declared.

SECTION 7. The Board of Directors. —The powers of the Authority shall be exercised through the Board of Directors, referred to in this Act as the “Board”, which shall be composed of 10 members in an ex-officio capacity, namely:

- 1 1. Secretary of Human Settlements and Urban Development;
- 2 2. Secretary of Public Works and Highways;
- 3 3. Secretary of Finance;
- 4 4. Secretary of Trade and Industry;
- 5 5. Secretary of Labor and Employment;
- 6 6. Secretary of Environment and Natural Resources;
- 7 7. Secretary of Interior and Local Government;
- 8 8. Secretary of Budget and Management;
- 9 9. Director-General of the National Economic and Development Authority; and
- 10 10. Executive Secretary.

11 Three (3) panel members with expertise in housing, urban planning, and urban
12 development shall be appointed by the President from a shortlist submitted by the
13 Governance Commission for GOCCs (GCG): *Provided*, That, all appointive directors
14 must have qualified under the Fit and Proper Rule, in accordance with RA 10149 and
15 shall serve for one (1) year, unless sooner removed for cause; *Provided, however*, that the
16 appointive director shall continue to hold office until the successor is appointed.

17 The expert panel members must be: (i) Filipino citizens and of good moral
18 character; (ii) be of recognized probity and independence and must have distinguished
19 themselves professionally in public, civic or academic service; (iii) be in the active
20 practice of their professions which are integrally related to housing, urban planning, and
21 urban development, for at least seven (7) years; and (iv) not be appointed within one (1)
22 year after losing in the immediately preceding elections.

23 The Secretary of the DHSUD shall be the *ex officio* Chairperson of the Board. The
24 General Manager shall be elected by the members of the Board from among the three
25 expert panel members. The Board shall meet regularly at least once a month but special
26 meetings may be called either by the Chairperson or by seven (7) members of the Board,
27 as may be necessary. *Provided*, That, seven (7) members of the Board shall constitute a
28 quorum and all decisions of the Board shall require the concurrence of at least seven (7)
29 members.

30 **SECTION 8. Powers and Duties of the Board.** - The Board shall have the
31 following powers and functions:

32 (a) Formulate, prescribe, and promulgate the implementing rules and regulations
33 required by this Act;

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35 (b) Promulgate such rules and regulations as may be necessary for the effective
36 exercise of the powers and functions, as well as the discharge of the duties and
37 responsibilities of the Board, its officers and employees;

38 (c) Act upon the annual budget and such supplemental budgets of the Authority
39 submitted by the General Manager: *Provided*, that the Board may reduce but may

- 1 not increase any item proposed by the General Manager;
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- 3 (d) Approve the Authority's organizational and administrative structures and
4 staffing pattern, and establish, fix, review, revise, and adjust the appropriate
5 compensation package of its officers and employees as submitted by the General
6 Manager, in accordance with RA 10149 and other executive issuances;
- 7 (e) Enter into and approve financial or investment schemes;
- 8 (f) Enter into contracts or agreements as may be necessary for the attainment of
9 the objectives of this Act;
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- 11 (g) Enter into and execute memoranda of agreements, joint ventures, long-term
12 leases and management contracts with private sector entities, to include real estate
13 developers or construction companies with proven track record in developing and
14 managing real estate ventures;
15
- 16 (h) Condone or compromise, in whole or in part, penalties, interests, or civil
17 liabilities imposed on beneficiaries with delinquent account who, for justifiable
18 reasons prescribed by the Board, failed to pay on time any obligation due to the
19 Authority; and
20
- 21 (i) Exercise all the powers necessary or incidental to the attainment of the
22 purposes of this Act.
- 23 **SECTION 9. Duties of the General Manager.** The General Manager shall have
24 the following powers and duties:
- 25 (a) Execute and administer the policies and resolutions approved by the Board of
26 Directors and prepare its agenda;
- 27 (b) Direct and supervise the operations, management and internal affairs of the
28 Authority: *Provided*, That the General Manager may delegate certain
29 administrative responsibilities to other officers of the Authority, subject to the
30 rules and regulations promulgated by the Board;
- 31 (c) Subject to the approval of the Board, fix the number and salaries of, and
32 appoint, the subordinate officers and personnel of the Authority and discipline for
33 cause any such officer or employee pursuant to the provisions of the Civil Service
34 Commission on discipline;

- (d) Represent the Authority in all dealings with other offices, agencies, and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign;
- (e) Act on all matters not specifically reserved to the Board, in the conduct of the business of the Authority;
- (f) Solely confer lot awards to the eligible beneficiaries: *Provided, That*, questions on the propriety of lot awards granted to the Authority's beneficiaries may be elevated on appeal to the Secretary of the DHSUD;
- (g) Submit to the Board within 90 days after the close of each fiscal year, a complete report on the operations of the Authority for the preceding year; and
- (h) Exercise such other powers and duties as may be vested by the Board.

SECTION 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.

SECTION 11. Qualifications and Appointment. - No person shall be appointed 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, competence and expertise in housing, urban planning, and urban development.

SECTION 12. Organizational Structure and Staffing Pattern. Subject to the approval of the 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 necessary detailed personnel.

SECTION 13. Exemption From Taxes and Regulatory Fees. - All laws to the contrary notwithstanding, the Authority, its projects, 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.

1 The exemption includes exemption from income tax, real property tax, capital
2 gains tax, transfer tax, value added tax, donor's tax and similar taxes; and building permit
3 fee, fire inspection permit fee, Environmental Compliance Certificate fees, and other
4 regulatory fees. Similarly, the Authority shall be exempt from the payment of
5 documentary stamp tax and registration fees, including fees required for the issuance of
6 transfer certificates of title.

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

10 **SECTION 14. *Lands for Authority Projects; Management, Conversion and***
11 ***Classification.*** - Lands identified and designated for housing and urban and rural
12 development, pursuant to Section 24 of Republic Act No. 11201, shall be assessed by the
13 Authority for program or project feasibility. Should the site evaluation be in the
14 affirmative, said lots shall forthwith be transferred to the Authority.

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

21 Lands identified and approved by the Authority for rehabilitation projects to be
22 developed within areas that have been declared under a state of calamity by the President
23 or any competent authority, upon the recommendation of the National Disaster Risk
24 Reduction and Management Council or any local disaster risk reduction and management
25 council shall be automatically converted or reclassified, in order to facilitate its
26 immediate development. For purposes of site selection under this modality, the Authority
27 shall be guided by the hierarchy of priorities in the acquisition of land, under Section 9 of
28 RA 7279, and ensure that protected lands, under special laws, such as RA 8371, RA 8435,
29 RA 6657, and other agrarian reform laws, shall be preserved for equally important land
30 uses: *Provided, That*, in cases of housing projects under this section that subsequently
31 suffered extensive damage due to substandard construction materials or negligence in
32 project planning and construction, the Authority shall compensate the affected households
33 for all material damage, injury, and loss to or diminution in the value of the housing units
34 which may include repairs of damaged units free of charge, provision of indemnity
35 insurance, and transfer of ownership of these units to the beneficiaries.

36 The Authority, in coordination with the DHSUD, the Department of Interior and
37 Local Government (DILG), the Department of Agriculture (DA), the Department of
38 Agrarian Reform (DAR), the Department of Environment and Natural Resources
39 (DENR), the National Commission on Indigenous Peoples (NCIP) to craft the rules and
40 regulations necessary to implement this provision within 180 days after the approval of
41 the Act.

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2 **SECTION 15. Designation of the National Housing Authority as Lead Agency**
3 **in the Disposition Program.** – The Authority, under the supervision of the DHSUD, and
4 in close coordination with the DILG, DA, DAR, DENR, NCIP, and the Land Registration
5 Authority, shall take the lead in the disposition activities of the lands in the preceding
6 section: *Provided*, that disposition activities shall include the preliminary stages of
7 identification and evaluation of lands suitable for disposition under this Act.

8 The DHSUD is hereby directed to immediately submit an updated list of
9 government- owned lands suitable for socialized housing purposes. It shall make
10 recommendation to the President relative to the disposition of the lands subject hereof;
11 *Provided*, That, lands owned by government-owned and –controlled corporations and
12 government financial institutions engaged in housing finance as part of their fiduciary
13 obligation to their members or are taken possession of in their ordinary conduct of
14 business, are excluded.

15 **SECTION 16. Management or Disposition of Completed Projects.** - The
16 Authority shall determine, establish, and maintain the most feasible and effective program
17 for the management or disposition of specific housing or resettlement projects. Unless
18 otherwise decided by the Board, completed housing or resettlement projects shall be
19 managed and administered by the Authority until they have been turned over to the local
20 government unit concerned or other public or private entity concerned, as the case may
21 be: *Provided*, That, in the case of housing projects that were completed or started prior to
22 the extension of its corporate life, the Authority shall co-manage the same with the
23 concerned local government units, homeowners' associations or residential condominium
24 association until they are properly turned over to any of the latter. The responsibility of
25 the Authority as co-manager shall include the collection of payments, maintenance of
26 structures and facilities, and estate management. The Authority shall also provide
27 technical assistance to homeowners' associations and local government units in the
28 formulation and enforcement of rules and regulations for the project beneficiaries.

29 **SECTION 17. Reports.** - The Authority shall submit an annual report to the
30 Office of the President, the Senate and the House of Representatives, copy furnished the
31 DHSUD, indicating, among others, the housing program being implemented, the stage of
32 implementation, and the financial position of the Authority. It shall likewise submit such
33 periodic or other reports as may be required from time to time.

34 **SECTION 18. Audit.** - The Chairperson of the Commission on Audit (COA) shall
35 act as the *ex-officio* auditor of the Authority. The COA Chairperson is empowered to
36 appoint a representative and other subordinate personnel to perform and report on such
37 audit duties, responsible to and removable only by the COA Chairperson, without
38 prejudice however, to the power of the Board to contract another mode of independent
39 audit service, in addition to that provided by COA pursuant to PD 1445, otherwise known
40 as the *Government Auditing Code of the Philippines*.

1 **SECTION 19. *Implementing Rules and Regulations.*** – The implementing rules
2 and regulations to effectively carry out the provisions of this Act shall be adopted by and
3 promulgated by the Board, in coordination with the DHSUD and the GCG, not later than
4 one hundred eighty (180) days after the approval of this Act.

5 **SECTION 20. *Applicability of the Revised Corporation Law.*** - The provisions of
6 RA 11232 otherwise known as the Revised Corporation Code of the Philippines, in so far
7 as they are not inconsistent with the provisions and policies provided in this Act, shall be
8 applicable to the Authority.

9 **SECTION 21. *Separability Clause.*** - If for any reason any provision of this Act is
10 declared to be unconstitutional or invalid, the remaining provisions not affected thereby
11 shall continue to be in full force and effect.

12 **SECTION 22. *Repealing Clause.*** - Section 2 of PD 757 is hereby amended
13 accordingly. All other laws, decrees, executive orders, or rules and regulations or parts
14 thereof inconsistent with or contrary to the provisions of this Act or its purposes are
15 hereby amended or modified accordingly.

16 **SECTION 23. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days
17 after the completion of its publication in the Official Gazette or in at least one newspaper
18 of general circulation.

19 *Approved,*