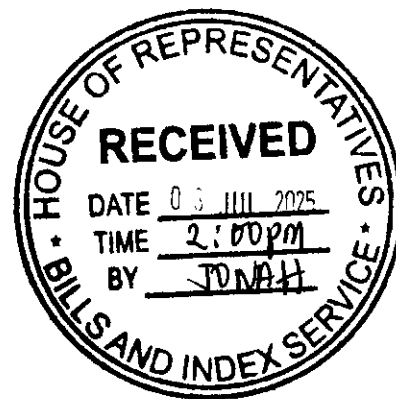


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session



House Bill No. 1268

Introduced by Honorable Roy M. Loyola

EXPLANATORY NOTE

It has been an established policy of the State to undertake programs that will make available decent housing at affordable cost to our underprivileged and homeless citizens to uplift the living conditions of our people.

To this end, the bill seeks to strengthen and improve the delivery of socialized housing programs in cooperation with the private sector by amending the provision on the Balanced Housing Development under Section 18 of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992", as amended by Republic Act No. 10884 or the "Balanced Housing Development Program Amendments".

The law provides that a developer proposing to undertake a subdivision or condominium project is required to develop an area for socialized housing equivalent to 15% of the total area or total cost of the main subdivision project, or 5% of that of the condominium project, as the case may be; or submit incentivized compliance equivalent to at least the required fifteen percent (15%) or five percent (5%) of the total project cost of the main subdivision or condominium project, respectively, as may be applicable at the option of the developer.

Relatedly, developers may opt to comply with the foregoing requirements in any of the following approaches:

- 1) Allocating part of the main project area for development of the socialized housing component;
- 2) Development of socialized housing in a new settlement;
- 3) Joint-venture projects for socialized housing with an LGU, any of the housing agencies, another private developer, or an NGO;
- 4) Participation in a new project under the community mortgage program; and,
- 5) Submission of developer participation as incentivized compliance.

Under this bill, the Department of Human Settlements and Urban Development (DHSUD) shall authorize the developers of the subdivision and condominium projects to provide the equivalent amount, set forth herein, to the city or municipal government, where the housing project is located in compliance with Section 18 of RA 7279.

The amount shall be used exclusively by the concerned LGU for its housing programs to effectively provide basic services and facilities to the beneficiaries, and urgently address critical housing and settlement programs.

Moreover, this bill will reduce, if not totally eliminate, many socialized housing projects that were constructed in far-flung or remote areas but have never been inhabited because of issues of accessibility, livelihood, and job opportunities. Thus, many beneficiaries who had been granted of rights to occupy and own the units were forced to sell them and return back to the metropolis.

While LGUs have crucial mandate in the implementation and completion of the potential sites for socialized housing, they are commonly restrained by encumbrances such as lack of fiscal resources and personnel. Further, the duty of the LGUs does not end with the provision of socialized housing or resettlement areas alone but also with the delivery of other basic services and facilities such as health, education, communications, security, recreation, relief and welfare, and livelihood.

In order to effectively implement all efforts to provide affordable, decent housing and basic services to displaced, underprivileged and homeless citizens, it is imperative to empower the local government units by allowing them to make use of other financial resources to support and implement their mandated duties. In such way, LGUs will no longer be dependent on utilizing their own meager resources in implementing government's policies and programs.

It is for this purpose that the approval of this bill is earnestly sought.



ATTY. ROY M. LOYOLA
Representative
Fifth District, Cavite

Republic of the Philippines
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AN ACT

AMENDING SECTION 18 OF THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AS AMENDED BY REPUBLIC ACT NO. 10884 OTHERWISE KNOWN AS THE BALANCED HOUSING DEVELOPMENT PROGRAM AMENDMENTS BY STRENGTHENING THE SOCIALIZED HOUSING PROJECTS OF THE LOCAL GOVERNMENT UNITS, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** Section 18 of Republic Act No. 7279 otherwise known as the "Urban
2 Development and Housing Act of 1992", as amended by RA 10884, is hereby
3 amended to read as follows:

4
5 **"SEC. 18. *Balanced Housing Development.*** – The Program shall include a
6 system to be specified in the Framework plan whereby owners and/or
7 developers of proposed subdivision and condominium projects shall be
8 required to develop an area for socialized housing equivalent to at least fifteen
9 percent (15%) of the total subdivision area or total subdivision project cost and
10 at least five percent (5%) of condominium area or project cost, at the option of
11 the developer, in accordance with the standards as provided by law. Provided,
12 That proposed socialized subdivision and village projects and proposed
13 socialized condominium projects shall be exempt from this requirement. For
14 this purpose, the [Housing and Urban Development Coordinating Council]
15 **DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT**
16 and the National Economic and Development Authority, shall jointly determine
17 and set separate socialized housing price ceilings for socialized subdivision
18 and socialized condominium projects which shall be mandatorily reviewed or
19 revised every two (2) years. The balanced housing development as herein
20 required may also be complied with by the owners and/or developers
21 concerned in any of the following manner:

- 22
23 (a) xxx;
24 (b) xxx; or
25 (c) xxx.
26

27 PROVIDED, HOWEVER, THAT IN CASES WHERE THE DEVELOPERS
28 OF THE PROPOSED RESIDENTIAL SUBDIVISION AND
29 CONDOMINIUM PROJECTS MAY OPT TO PAY THE EQUIVALENT
30 PROJECT COSTS, IN COMPLIANCE TO THE PRECEEDING
31 PARAGRAPH, IN WHICH CASE, THE DHSUD SHALL AUTHORIZE THE
32 DEVELOPERS TO PROVIDE THE AMOUNT EQUIVALENT TO AT
33 LEAST TWENTY-FIVE PERCENT (25%) OF THE FIFTEEN PERCENT
34 (15%) OF THE TOTAL SUBDIVISION PROJECT COST AND AT LEAST
35 TWENTY-FIVE PERCENT (25%) OF THE FIVE PERCENT (5%) OF
36 CONDOMINIUM PROJECT COST TO THE CITY OR MUNICIPAL
37 GOVERNMENT WHERE THE PROJECT IS LOCATED, TO BE USED
38 EXCLUSIVELY BY THE CONCERNED LOCAL GOVERNMENT UNIT
39 FOR ITS SOCIALIZED HOUSING PROGRAMS; PROVIDED, THAT IF
40 THE CONCERNED LOCAL GOVERNMENT UNIT WHERE THE
41 PROJECT IS LOCATED DOES NOT HAVE ANY AVAILABLE LAND FOR
42 THE PURPOSE, THE COMPLIANCE PROJECT SHALL BE OFFERED,
43 TO A NEAR CITY OR OFF-CITY LOCAL GOVERNMENT UNIT;
44 *PROVIDED, FURTHER*, THAT IN CASE THE LOCAL GOVERNMENT
45 UNIT CONCERNED HAS ITS OWN SOCIALIZED HOUSING PROGRAM
46 WHICH REQUIRES TO BE COMPLIED WITH BY THE DEVELOPER OR
47 OWNER OF THE SUBDIVISION OR CONDOMINIUM PROJECT
48 PURSUANT TO ITS ORDINANCES OR RESOLUTIONS, AND THE COST
49 IS HIGHER THAN WHAT IS PRESCRIBED UNDER THE PRECEEDING
50 PARAGRAPH, THE DEVELOPER SHALL BE DEEMED TO HAVE
51 COMPLIED WITH THIS ACT AND WHATEVER EXCESS INCURRED
52 THERETO CAN BE CREDITED TO THE CONCERNED DEVELOPER OR
53 OWNER FOR ITS FUTURE PROJECTS. *PROVIDED, FINALLY*, THAT
54 THE LOCAL GOVERNMENT UNIT CONCERNED SHALL LIQUIDATE
55 THE AMOUNT RECEIVED TO THE DHSUD FOR PROPER AUDITING
56 AND ACCOUNTING.
57

58 FOR THIS PURPOSE, THE CONCERNED LOCAL GOVERNMENT UNIT
59 SHALL HAVE A TWO-YEAR EXCLUSIVE RIGHT TO UTILIZE THE
60 AMOUNT PROVIDED BY THE DEVELOPERS FOR ITS OWN
61 SOCIALIZED HOUSING PROGRAMS. THE LOCAL GOVERNMENT
62 UNIT'S TWO-YEAR EXCLUSIVE RIGHT SHALL COMMENCE ONCE
63 THE FUNDS HAVE BEEN DOWNLOADED TO THE CONCERNED
64 LOCAL GOVERNMENT UNIT. IN THE EVENT OF NATURAL
65 DISASTERS, CALAMITIES, CRISES, AND OTHER FORTUITOUS
66 EVENTS THAT ARE BEYOND THE CONTROL OF THE CONCERNED
67 LOCAL GOVERNMENT UNIT, THE TWO-YEAR EXCLUSIVE PERIOD
68 SHALL BE EXTENDED TO COVER SUCH PERIOD OF CONTINGENCY.
69 FAILURE OF THE CONCERNED LOCAL GOVERNMENT UNIT TO
70 UTILIZE THE AMOUNT FOR ITS OWN SOCIALIZED HOUSING
71 PROGRAMS WITHIN THE PRESCRIBED PERIOD SHALL RESULT IN
72 FORFEITURE OF THE EXCLUSIVE RIGHT.

73
74 ALL LOCAL GOVERNMENT UNITS THAT HAVE EXISTING HOUSING
75 PROGRAMS AND ARE HOLDING ANY AMOUNT PROVIDED BY

76 DEVELOPERS IN COMPLIANCE WITH SECTIONS 18 AND 20 OF
77 REPUBLIC ACT NO. 7279, AS AMENDED BY REPUBLIC ACT NO.
78 10884, PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL ALSO
79 ENJOY THE FOREGOING TWO-YEAR EXCLUSIVE RIGHT.

80
81 IN GOVERNMENT INITIATED SOCIALIZED HOUSING PROJECTS, ONCE THE
82 DEVELOPER HAS BEEN ISSUED WITH A NOTICE TO PROCEED, THE LOCAL
83 GOVERNMENT UNIT WHERE THE PROJECT IS LOCATED SHALL CAUSE THE
84 ISSUANCE OF A BUILDING PERMIT. LIKEWISE, ONCE THE REQUIREMENTS OF
85 THE PROJECT AND THE DEVELOPER HAS BEEN ISSUED WITH A
86 CERTIFICATE OF ACCEPTANCE BY THE PROJECT PROPONENT, THE LOCAL
87 GOVERNMENT UNIT SHALL CAUSE THE ISSUANCE OF A CERTIFICATE OF
88 ACCEPTANCE.

89
90 **SEC. 2. Implementing Rules and Regulations.** – within ninety (90) days from
91 the effectivity of this Act, the Department Human Settlements and Urban Development
92 and its attached agencies shall promulgate a new set of implementing rules and
93 regulations for the amended sections, consistent with the parameters and standards
94 set forth in the said sections. Nongovernment organizations and people's
95 organizations involved in housing rights and urban poor advocacy, as well as the
96 private sector shall be consulted in the process of drafting these implementing rules
97 and regulations.

98
99 **SEC. 3. Report to Congress.** – The DHSUD shall submit an evaluation and
100 accomplishment report to Congress every (2) years after the effectivity of this Act.

101
102 **SEC. 4. Separability Clause.** – If any portion or provision of this Act is held
103 unconstitutional or invalid, the remaining provisions not affected thereby shall continue
104 to be in full force and effect.

105
106 **SEC. 5. Repealing Clause.** – All laws, executive orders, proclamations, rules,
107 regulations and other issuances or parts thereof which are inconsistent with the
108 provisions of this Act are hereby repealed, amended or modified accordingly.

109
110 **SEC. 6. Effectivity.** – This Act shall take effect fifteen (15) days after its
111 publication in the *Official Gazette* or in a newspaper of general circulation.

112
113 *Approved,*
114
115