



HOUSE OF REPRESENTATIVES

H. No. 9697

BY REPRESENTATIVES LOYOLA, CO-PILAR, MERCADO-REVILLA, REVILLA (B.), REVILLA (R.J.), OLIVAREZ, DY (F.), MARCOS, DE LIMA, GUINTU, PADIERNOS, ROMULO, TERENG, OAMINAL (H.), ORETA, LABADLABAD, GALANG, FERRER (A.), SAN FERNANDO, RIDON, ODUKADO, GONZALES (R.), LAGON (S.), SOLON, CAGAS, PUNO, GARDIOLA, QUIMBO, DIONISIO, MADRONA, VALERIANO, LAGBAS, Co, MERCADO, ARBISON (M. JR.), BELTRAN, DAGOOC, ANGELES, VILLA, RODRIGUEZ (R.), BOLILIA, SANTOS (M.A.), GATCHALIAN, DIMAGUILA, ZUBIRI, CARI AND LEGACION

AN ACT

IMPROVING THE DELIVERY OF SOCIALIZED HOUSING PROGRAMS, AMENDING FOR THE PURPOSE SECTIONS 10, 18, AND 20 OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE "URBAN DEVELOPMENT AND HOUSING ACT OF 1992," AS AMENDED BY REPUBLIC ACT NO. 10884, OTHERWISE KNOWN AS THE "BALANCED HOUSING DEVELOPMENT PROGRAM AMENDMENTS"

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

1 **SECTION 1.** Section 10 of Republic Act No. 7279, as amended, otherwise known as the
2 "Urban Development and Housing Act of 1992," is hereby further amended to read as follows:

3
4 "SEC. 10. *Modes of Land Acquisition.* – The modes of acquiring lands **AND**
5 **CREATION OF SOCIALIZED HOUSING PROGRAMS AND PROJECTS** for
6 purposes of this Act shall include, among others, community mortgage, land
7 swapping, land assembly or consolidation, land banking, donation to the
8 Government, joint-venture agreement, negotiated purchase, **DIRECT**
9 **PURCHASE, UNSOLICITED PROPOSALS AS PROVIDED UNDER**
10 **SECTION 10 OF REPUBLIC ACT NO. 11966, OTHERWISE KNOWN AS**
11 **THE "PUBLIC-PRIVATE PARTNERSHIP (PPP) CODE OF THE**
12 **PHILIPPINES,"** and expropriation: *Provided, however,* That expropriation
13 shall be resorted to only when other modes of acquisition have been
14 exhausted: *Provided, further,* That where expropriation is resorted to, parcels
15 of land owned by small property owners shall be exempted for purposes of
16 this Act: *Provided, finally,* That abandoned property, as herein defined, shall
17 be reverted and escheated to the State in a proceeding analogous to the
18 procedure laid down in Rule 91 of the Rules of Court.

1 For the purpose of socialized housing, government-owned and foreclosed
2 properties shall be acquired by the local government units, or by the [National
3 Housing Authority] **DEPARTMENT OF HUMAN SETTLEMENTS AND**
4 **URBAN DEVELOPMENT (DHSUD), ITS ATTACHED AGENCIES, AND**
5 **OTHER HOUSING INSTRUMENTALITIES OF THE NATIONAL**
6 **GOVERNMENT** primarily through negotiated purchase. **FORFEITED**
7 **LANDS AND PROPERTIES ACQUIRED THROUGH DELINQUENCY OF**
8 **REAL PROPERTY TAX PAYMENTS SHALL BE AUTOMATICALLY**
9 **PRIORITIZED FOR SOCIALIZED HOUSING SITES UNLESS**
10 **AUTHORIZED BY THE LOCAL SANGGUNIAN TO BE USED FOR OTHER**
11 **PURPOSES IN ACCORDANCE WITH A ZONING ORDINANCE AS**
12 **MANDATED BY THEIR RESPECTIVE COMPREHENSIVE LAND USE**
13 **PLAN AND SHELTER PLAN: Provided, That qualified beneficiaries who are**
14 **actual occupants of the land shall be given the right of first refusal."**
15

16 **SEC. 2.** Section 18 of Republic Act No. 7279, as amended, is hereby further amended
17 to read as follows:
18

19 "SEC. 18. *Balanced Housing Development.* – The Program shall include a
20 system to be specified in the Framework plan whereby owners [and/]or
21 developers of proposed [subdivision and condominium projects] **HOUSING**
22 **DEVELOPMENT PROJECTS** shall be required to develop an area for
23 socialized housing equivalent to at least fifteen percent (15%) of the [total
24 subdivision area or total subdivision project cost] **TOTAL PROJECT AREA**
25 **OR COST FOR SUBDIVISIONS OR VILLAGES** and at least five percent (5%)
26 of condominium **OR VERTICAL HOUSING** area or project cost, at the
27 option of the developer, **ALL OF WHICH SHALL BE UNDERTAKEN IN THE**
28 **PROJECT SITE OR WITHIN THE CITY, OR MUNICIPALITY WHERE THE**
29 **DEVELOPMENT IS SITUATED**, in accordance with the standards as
30 provided by law.[: *Provided, That proposed socialized subdivision projects*
31 *and proposed socialized condominium projects shall be exempt from this*
32 *requirement.*] For this purpose, the [Housing and Urban Development
33 Coordinating Council] **DHSUD** and the [National Economic and Development
34 Authority] **DEPARTMENT OF ECONOMY, PLANNING, AND**
35 **DEVELOPMENT, WITH THE RECOMMENDATION OF THE LOCAL**
36 **GOVERNMENT UNIT WHERE THE PROJECT IS LOCATED**, shall jointly
37 determine and set separate socialized housing price ceilings for socialized
38 [subdivision and socialized condominium] **HOUSING** projects which shall be
39 mandatorily reviewed or revised every [two (2)] **THREE (3)** years. The
40 balanced housing development as herein required may also be complied with
41 by the owners [and/]or developers concerned, **OR BOTH AS THE CASE MAY**
42 **BE**, in any of the following manner:

- 1 (a) Development of socialized housing in a new settlement **WITH FOCUS**
2 **ON THE FOLLOWING BENEFICIARIES: (1) INFORMAL SETTLER**
3 **FAMILIES (ISFs) AS DEFINED BY REPUBLIC ACT NO. 11201;**
4 **(2) UNDERPRIVILEGED AND HOMELESS CITIZENS, AS DEFINED**
5 **IN SECTION 3(t) OF THIS ACT; AND (3) THOSE WHO ARE**
6 **LIVING IN AREAS WHICH WILL BE AFFECTED BY MAJOR**
7 **INFRASTRUCTURE PROJECTS;**
8
- 9 (b) Joint-venture projects for socialized housing with either the local
10 government units or any of the housing agencies or with another private
11 developer, or with a nongovernmental organization engaged in the
12 provision of socialized housing and duly accredited by the [Housing and
13 Land Use Regulatory Board] **DHSUD AND ITS ATTACHED**
14 **AGENCIES**, but if the developer has failed to complete the development
15 of the project, the owner [and/]or developer of the [main subdivision or
16 condominium] project, **OR BOTH AS THE CASE MAY BE**, shall be
17 solidarily liable only to the extent of compliance to the balanced housing
18 requirement regardless of the provisions of their joint venture
19 agreement; [or]
20
- 21 (c) Participation in a new project under the community mortgage program
22 **WITH FOCUS ON THE FOLLOWING BENEFICIARIES: (1) ISFs AS**
23 **DEFINED BY REPUBLIC ACT NO. 11201; (2) UNDERPRIVILEGED**
24 **AND HOMELESS CITIZENS, AS DEFINED IN SECTION 3(t) OF THIS**
25 **ACT; AND (3) THOSE WHO ARE LIVING IN AREAS WHICH WILL BE**
26 **AFFECTED BY MAJOR INFRASTRUCTURE PROJECTS[.]; OR**
27
- 28 (D) **PAYMENT OF THE PROJECT COST EQUIVALENT TO**
29 **TWENTY-FIVE PERCENT (25%) OF THE REQUIRED COMPLIANCE**
30 **VALUE – FIFTEEN PERCENT (15%) OF THE TOTAL PROJECT AREA**
31 **OR COST FOR SUBDIVISIONS OR VILLAGES AND FIVE PERCENT**
32 **(5%) OF CONDOMINIUM OR VERTICAL HOUSING AREA OR**
33 **PROJECT COST – IN FAVOR OF THE DHSUD FOR ITS SOCIALIZED**
34 **HOUSING PROGRAMS: PROVIDED, THAT THE AMOUNT SHALL BE**
35 **USED EXCLUSIVELY FOR SOCIALIZED HOUSING PROGRAMS OF**
36 **THE CITY OR MUNICIPALITY WHERE THE PROJECT IS LOCATED:**
37 **PROVIDED, FURTHER, THAT IN CASES WHERE THE CONCERNED**
38 **LOCAL GOVERNMENT UNIT HAS ITS OWN SOCIALIZED HOUSING**
39 **PROGRAM, COMPLIANCE WITH WHICH IS REQUIRED OF THE**
40 **DEVELOPER OR OWNER OF A SUBDIVISION OR CONDOMINIUM**
41 **PROJECT PURSUANT TO LOCAL ORDINANCES OR**
42 **RESOLUTIONS, AND THE COST THEREOF EXCEEDS THE AMOUNT**
43 **PRESCRIBED IN THE PRECEDING PARAGRAPH, THE DEVELOPER**
44 **OR OWNER SHALL BE DEEMED COMPLIANT WITH THIS ACT. ANY**
45 **EXCESS AMOUNT INCURRED MAY BE CREDITED IN FAVOR OF**
46 **THE CONCERNED DEVELOPER OR OWNER FOR FUTURE**

1 PROJECTS: *PROVIDED, FINALLY*, THAT THE CONCERNED LOCAL
2 GOVERNMENT UNIT SHALL SUBMIT TO THE DHSUD A
3 LIQUIDATION REPORT ON THE AMOUNTS RECEIVED FOR
4 PROPER AUDITING AND ACCOUNTING PURPOSES.
5

6 FOR THIS PURPOSE, THE CONCERNED LOCAL GOVERNMENT
7 UNIT SHALL HAVE A TWO (2)-YEAR EXCLUSIVE RIGHT TO UTILIZE
8 THE AMOUNT PROVIDED BY THE DEVELOPERS FOR ITS OWN
9 SOCIALIZED HOUSING PROGRAMS. THE LOCAL GOVERNMENT
10 UNIT'S TWO (2)-YEAR EXCLUSIVE RIGHT SHALL COMMENCE
11 ONCE THE CONCERNED LOCAL GOVERNMENT UNIT HAS BEEN
12 NOTIFIED OF THE AVAILABILITY OF FUNDS. IN THE EVENT OF
13 NATURAL DISASTERS, CALAMITIES, CRISES, AND OTHER
14 FORTUITOUS EVENTS THAT ARE BEYOND THE CONTROL OF THE
15 CONCERNED LOCAL GOVERNMENT UNIT, THE TWO (2)-YEAR
16 EXCLUSIVE PERIOD SHALL BE EXTENDED TO COVER SUCH
17 PERIOD OF CONTINGENCY. FAILURE OF THE CONCERNED
18 LOCAL GOVERNMENT UNIT TO UTILIZE THE AMOUNT FOR ITS
19 OWN SOCIALIZED HOUSING PROGRAMS WITHIN THE
20 PRESCRIBED PERIOD SHALL RESULT IN FORFEITURE OF THE
21 EXCLUSIVE RIGHT.
22

23 The [Housing and Land Use Regulatory Board] DHSUD is hereby
24 mandated to submit to Congress an annual report on the compliance hereof
25 by the owners [and/]or developers of [subdivision and condominium]
26 HOUSING projects.
27

28 Any person violating any provision of this section shall be imposed a fine
29 of not less than [five hundred thousand pesos (P500,000.00)] **ONE MILLION**
30 **PESOS (P1,000,000.00)**, for the first offense; suspension of license to do
31 business for a period of [three (3) to six (6) months] **SIX (6) MONTHS TO**
32 **ONE (1) YEAR** and a fine of not less than [five hundred thousand pesos
33 (P500,000.00)] **ONE MILLION PESOS (P1,000,000.00)**, for the second
34 offense; and cancellation of license to do business for the third offense **AND**
35 **A FINE OF NOT LESS THAN FIVE MILLION PESOS (P5,000,000.00). ALL**
36 **FINES AND PENALTIES COLLECTED UNDER THIS ACT SHALL BE**
37 **UTILIZED FOR THE DEVELOPMENT OF SOCIALIZED HOUSING**
38 **PROGRAMS IN THE LOCALITY WHERE THE PROJECT IS LOCATED."**

1 **SEC. 3.** Section 20 of Republic Act No. 7279, as amended, is hereby further
2 amended to read as follows:

3
4 “SEC. 20. *Incentives for Private Sector Participating in Socialized*
5 *Housing.* – To encourage greater private sector participation in socialized
6 housing and further reduce the cost of housing units for the benefit of the
7 underprivileged and homeless, the following incentives shall be extended to
8 the private sector:

- 9
10 (a) Reduction and simplification of qualification and accreditation
11 requirements for participating private developers;
12
13 (b) Creation of one-stop **SHOP** offices in the different regions,
14 **PARTICULARLY IN HIGHLY URBANIZED CITIES** of the country, for the
15 processing, approval, and issuance of clearances, permits, and licenses:
16 *Provided, That* clearances, permits, and licenses shall be issued within
17 ninety (90) days from the date of submission of all requirements by the
18 participating private developers[.].
19

20 **IN GOVERNMENT INITIATED SOCIALIZED HOUSING PROJECTS,**
21 **ONCE THE DEVELOPER HAS BEEN ISSUED WITH A NOTICE TO**
22 **PROCEED, THE LOCAL GOVERNMENT UNIT WHERE THE**
23 **PROJECT IS LOCATED SHALL CAUSE THE ISSUANCE OF A**
24 **BUILDING PERMIT. LIKEWISE, ONCE THE REQUIREMENTS OF THE**
25 **PROJECT HAVE BEEN COMPLIED WITH AND THE DEVELOPER**
26 **HAS BEEN ISSUED WITH A CERTIFICATE OF ACCEPTANCE BY THE**
27 **PROJECT PROPONENT, THE LOCAL GOVERNMENT UNIT SHALL**
28 **CAUSE THE ISSUANCE OF A CERTIFICATE OF ACCEPTANCE;**

- 29 (c) Simplification of financing procedures **UPON WHICH THE DHSUD AND**
30 **ITS ATTACHED AGENCIES, TOGETHER WITH THE LOCAL**
31 **GOVERNMENT UNITS, MAY AGREE ON JOINT VENTURES;** and
32
33 (d) Exemption from the payment of the following:
34
35 (1) Project-related income taxes;
36
37 (2) Capital gains tax on [raw] lands [used for the project] **DULY**
38 **DESIGNATED FOR SOCIALIZED HOUSING;**
39
40 (3) Value-added tax for the project contractor concerned;
41
42 (4) Transfer tax [for both raw] **ON** completed projects **WITH ISSUED**
43 **CERTIFICATE OF ACCEPTANCE;** [and]
44

1 (5) **DOCUMENTARY STAMP TAXES FOR ALL PROJECT-RELATED**
2 **DOCUMENTS; AND**

3
4 (6) Donor's tax [for] **ON** lands certified by the local government units to
5 have been donated for socialized housing purposes.
6

7 *Provided*, That a socialized housing certification issued by the [Housing and
8 Land Use Regulatory Board] **DHSUD AND ITS ATTACHED AGENCIES,**
9 **OR A RESOLUTION BY THE SANGGUNIANG PANLUNGSOD OR**
10 **SANGGUNIANG BAYAN THAT DESIGNATES OR DEEMS AN AREA AS**
11 **A SOCIALIZED HOUSING PROJECT OR AREA**, shall be sufficient for the
12 purpose of availment of tax exemption: *Provided, further*, That upon
13 application for exemption, a lien on the title of the land shall be annotated
14 by the Register of Deeds: *Provided, furthermore*, That the socialized
15 housing development plan has already been approved by the appropriate
16 government agencies concerned: *Provided, finally*, That all the savings
17 realized by virtue of this provision shall accrue in favor of the beneficiaries
18 subject to the implementing guidelines to be issued by the [Housing
19 and Urban Development Coordinating Council] **DHSUD AND ITS**
20 **ATTACHED AGENCIES.**

21
22 "x x x."
23

24 **SEC. 4.** Within ninety (90) days from the effectivity of this Act, the DHSUD shall
25 promulgate a new set of implementing rules and regulations for the amended sections,
26 consistent with the parameters and standards set forth in the said sections.
27 Nongovernment organizations and people's organizations involved in housing rights and
28 urban poor advocacy, as well as the private sector, shall be consulted in the process of
29 drafting these implementing rules and regulations.
30

31 **SEC. 5.** The DHSUD shall submit an evaluation and accomplishment report to
32 Congress every two (2) years after the effectivity of this Act.
33

34 **SEC. 6.** If any portion or provision of this Act is held unconstitutional or invalid, the
35 remaining provisions not affected thereby shall continue to be in full force and effect.
36

37 **SEC. 7.** All laws, executive orders, proclamations, rules, regulations and other
38 issuances or parts thereof which are inconsistent with the provisions of this Act are hereby
39 repealed, amended or modified accordingly.
40

41 **SEC. 8.** This Act shall take effect fifteen (15) days after its publication in the *Official*
42 *Gazette* or in a newspaper of general circulation.

Approved,