

**SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)**



16 JUL 26 19:48

SENATE

BY:

SENATE BILL NO. 893

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

**AN ACT
CREATING A LOCAL HOUSING BOARD IN ALL CITIES AND FIRST TO
THIRD CLASS MUNICIPALITIES, PROVIDING FOR ITS POWERS AND
FUNCTIONS, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Section 2 of the Urban Development and Housing Act of 1992 provides that the State shall *“undertake, in cooperation with the private sector, a comprehensive and continuing Urban Development and Housing Program.”*

To ensure the achievement of the objectives of this Program, Section 6 called for the formulation of a comprehensive plan for urban and urbanizable areas. Under this comprehensive plan the following responsibilities were given to the Local Government Units (LGUs): (1) inventory of lands for socialized housing (Section 7); (2) identification of sites for socialized housing (Section 8); (3) registration of socialized housing beneficiaries (Section 17) and; (4) monitoring of compliance by developers of the twenty percent (20%) balanced housing provision under Section 18.

Clearly, there is a need for a specialized body in our LGUs that shall ensure the faithful and proactive execution of housing programs at the local level. A clear gap at the local level in the form of a mechanism to hasten the delivery of shelter services to our people, especially those who need it most, needs to be filled up.

It is envisioned that this proposed measure will provide an administrative machinery at the local level to effect the implementation of the UDHA as well as cope with the fast pace of urbanization of the country. Another reason for the passage of this bill is that there is also a need to institutionalize multi-sectoral representation in local housing initiatives. This is premised on the fact that the success of these programs will, to a large extent, depend on the direct participation and cooperation of the stakeholders in the planning and implementation process. By this we mean that the

people who are going to be affected or benefited by such projects should be given a voice in the planning and implementation of such projects.

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


A handwritten signature in black ink, consisting of a horizontal line followed by a stylized 'G' and a period.

JOSEPH VICTOR G. EJERCITO



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AN ACT
CREATING A LOCAL HOUSING BOARD IN ALL CITIES AND FIRST
TO THIRD CLASS MUNICIPALITIES, PROVIDING FOR ITS POWERS
AND FUNCTIONS, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "*Local*
2 *Housing Board Act of 2016.*"
3

4 **SECTION 2. Declaration of Policy.** - It is hereby declared the policy of
5 the State to:
6

7 a) Promote a just and dynamic social order that will ensure the
8 prosperity and independence of the nation and free the people from poverty
9 through policies that provide adequate social services, promote full
10 employment, a rising standard of living and an improved quality of life for
11 all;
12

13 b) Adopt a continuing housing program that will make available at
14 affordable cost, decent housing and basic services to all especially the
15 underprivileged and homeless;
16

17 c) Protect urban and rural poor dwellers from evictions or demolitions
18 undertaken in violation of the law;
19

20 d) Require all national agencies and offices to conduct periodic
21 consultations with appropriate local government units (LGUs), non-
22 governmental and people's organizations and other concerned sectors of the
23 community before any project or program is implemented in their respective
24 jurisdictions;

1
2 e) Promote and institutionalize the participation of the private sector,
3 non-government organizations (NGOs) and people's organization (POs) in
4 the urban and rural development process; and
5

6 f) Promote genuine and meaningful local autonomy to political
7 subdivisions of the State to enable them to attain their fullest development as
8 self-sufficient communities and make them more effective partners in the
9 attainment of national goals.
10

11 Toward these ends, the State shall provide for a more responsive and
12 accountable local government structure instituted through a system of
13 decentralization whereby LGUs, through the creation of local housing boards,
14 shall be given more powers, authority, responsibilities and resources in the
15 planning and execution of their housing programs.
16

17 **SEC. 3. Definition of Terms.** - For purposes of this Act, the following
18 terms or words and phrases shall mean or be understood as follows:
19

20 a) *Balanced Housing Requirement* refers to the responsibility given to
21 developers of subdivision projects pursuant to Section 18 of the Urban
22 Development and Housing Act (UDHA) of 1992;
23

24 b) *Comprehensive Land Use Plan* refers to the primary and dominant
25 bases for land use, applying a rational approach for allocating available land
26 resources as equitably as possible among competing user-groups and for
27 different functions, consistent with the development and zoning plan of the
28 area and the provisions of the UDHA;
29

30 c) *Economic Housing* refers to a type of housing project provided to
31 moderately low-income families with lower interest rates and longer
32 amortization periods;
33

34 d) *Local Shelter Plan* refers to a general framework that effectively
35 provides a step-by-step procedure by which cities and municipalities could
36 formulate solutions to their housing problems. It shall include measures to
37 enable cities and municipalities to plan and implement their specific
38 mandates based on the UDHA, and to facilitate a linkage with comprehensive
39 land use plans as defined under this Act;
40

41 e) *Non-Government Organization* refers to a non-stock, non-profit
42 domestic corporation or organization as defined under Section 34 (H) (2) (c) of
43 the Tax Code organized and operated exclusively for scientific, research,
44 educational, character building, youth and sports development, health, social
45 welfare, cultural or charitable purposes, or a combination thereof, no part of
46 the net income of which inures to the benefit of any private individual;

1
2 f) *NUDHF* refers to the comprehensive plan for urban and urbanizable
3 areas aimed at achieving the objectives set forth under the UDHA of 1992;
4

5 g) *People s Organization* refers to a *bonafide* association of citizens with
6 demonstrated capacity to promote the public interest and with identifiable
7 leadership, membership, and structure.
8

9 h) *Rural Areas* refer to those areas that are not urban areas as defined
10 under this Act;
11

12 i) *Socialized Housing* refers to housing programs and projects covering
13 houses and lots or home lots only undertaken by the Government or the
14 private sector for the underprivileged and homeless citizens which shall
15 include sites and services development, long-term financing, liberalized terms
16 on interest payments, and such other benefits in accordance with the
17 provisions of the UDHA;
18

19 j) *UDHA* refers to the Urban Development and Housing Act of 1992 or
20 Republic Act No. 7279 (R.A. No. 7279);
21

22 k) *Underprivileged and Homeless Rural or Urban Poor Dwellers* refer to
23 individuals or families residing in rural or urban areas whose income or
24 combined household income falls within the poverty threshold as defined by
25 the National Economic Development Authority and who do not own housing
26 facilities, and shall include those who live in makeshift dwelling units and do
27 not enjoy security of land tenure;
28

29 l) *Urban Areas* refer to all cities regardless of their population density
30 and to municipalities with a population density of at least five hundred (500)
31 persons per square kilometer;
32

33 m) *Local Housing Boards* refer to all housing boards in cities and first to
34 third class municipalities created under this Act; and
35

36 o) *Local Housing Office* refers to the implementing body of the local
37 housing board.
38

39 **SEC. 4. Local Housing Boards; Creation; Composition.** - There shall be
40 created a Local Housing Board, hereinafter referred to as the Board, in all
41 cities and first to third class municipalities as classified by the Secretary of
42 Finance: *Provided*, That fourth and fifth class municipalities may create their
43 own Local Housing Board if they so desire. The Board shall be composed of
44 the following:
45

46 a) The City/Municipal Mayor as Chairperson;

- 1 b) The Vice Mayor as Vice Chairperson;
2 c) The Chairperson of the Sangguniang Bayan Committee on Housing and
3 Urban Development or its equivalent as Member;
4 d) The City/Municipal Planning and Development Coordinator as Member;
5 e) The City/Municipal Engineer as Member;
6 f) A representative of the housing agencies to be designated by the HUDCC as
7 Member;
8 g) A representative from a private organization engaged in subdivision and
9 housing development operating in the city or municipality as Member;
10 h) A representative from €Os operating in the city or municipality as
11 Member: *Provided*, that a PO already represented in any local special body
12 may be concurrently represented in any local housing board; and
13 i) A representative from NGOs operating in the city or municipality as
14 Member *Provided*, That an NGO already represented in any local special body
15 may be concurrently represented in any local housing board. Representatives
16 to the Board from organizations mentioned in the last three paragraphs of this
17 section shall be selected through the same process as that of filling up the
18 representatives of the local special bodies.

19
20 **SEC. 5. Powers and Functions.** - Local Housing Boards shall have the
21 following powers and functions:

22
23 a) Formulate, develop, and recommend to the Sanggunian, policies,
24 directives, rules and regulations, consistent with laws, as it may deem
25 necessary, on the provision of decent and affordable housing and resettlement
26 areas and on the observance of the right of the underprivileged and homeless
27 to just and humane evictions and demolitions;

28
29 b) With the assistance of the HUDCC and other concerned government
30 agencies, prepare a Local Shelter Plan which shall form part of the
31 city/municipal development plan: *Provided*, That such plan shall be consistent
32 with the city/municipal land use plan: *Provided further*, That public hearings
33 shall be conducted for the purpose;

34
35 c) Approve preliminary and final subdivision schemes and
36 development plans of subdivisions and condominiums in accordance with the
37 provisions of Presidential Decree No. 957, as amended, otherwise known as
38 the Subdivision and Condominium Buyers' Protective Decree, and its
39 implementing standards, rules and regulations concerning subdivisions and
40 condominiums;

41
42 d) Approve preliminary and final subdivision schemes and
43 development plans of all economic and socialized housing projects as well as
44 individual or group building occupancy permits covered by Batas Pambansa
45 Blg. 220 and its implementing standards, rules and regulations;

46

1 e) Evaluate and resolve the opposition to the issuance of development
2 permits for any of the projects stated in the two (2) preceding sub-sections, in
3 accordance with the said laws and the Rules of Procedure promulgated by the
4 Housing and Land Use Regulatory Board (HLURB) incident thereto;

5
6 f) Designate at least one (1) representative to their respective local
7 development councils: *Provided*, That said representative is not already a
8 member of the council;

9
10 g) Recommend to the Sanggunian, the sites for socialized housing,
11 subject to the requirements prescribed by Section 8 of R.A. 7279 and
12 guidelines issued for the purpose;

13
14 h) Advise the Sanggunian on matters of local taxation, which may
15 affect the local government housing program, which includes, but shall not be
16 limited to, the formulation of a socialized housing tax, idle land tax, and an
17 additional levy on the real property tax to constitute a Special Socialized
18 Housing Fund;

19
20 i) Recommend, for approval of their respective Local Chief Executives
21 (LCEs), formulated schemes for the acquisition and disposition of lands
22 within their localities for socialized housing purposes, subject to Section 9 to
23 14 of R.A. 7279 and its implementing guidelines: *Provided*, That such schemes
24 shall ensure that the valuation of a particular land for socialized housing
25 purposes shall be within the affordability levels of prospective beneficiaries;

26
27 j) Recommend for approval of their respective LCEs, partnership
28 arrangements with the national government on the provision of decent and
29 affordable shelter;

30
31 k) Through the local chief executive, submit to the President and the
32 Congress of the Philippines, an annual report as provided by Section 41 of
33 R.A. 7279; and

34
35 l) Perform such other related functions established by law or
36 ordinance, as necessary to implement the mandate of local government units
37 under the UDHA.

38
39 **SEC. 6. Local Housing Office; Creation: Functions.** - There shall be
40 created a Local Housing Office in all cities and municipalities, which shall
41 heretofore become a regular office under the local government unit and serve
42 as the implementing arm of the Board. The Urban Poor Affairs Office or its
43 equivalent office in cities or municipalities shall be converted into the Local
44 Housing Office and in addition to its existing functions, shall have the
45 following additional functions:

46

- 1 a) Assist the Board in the preparation of the local shelter plan;
- 2 b) Assist the city/municipal development councils in the formulation
3 of their respective comprehensive land use plans;
- 4
- 5 c) Oversee and coordinate government activities relative to
6 consultation, relocation, and resettlement of underprivileged and homeless
7 urban or rural poor dwellers in cases where evictions and demolitions
8 affecting them are necessary and allowed by existing laws;
- 9
- 10 d) Ensure that the balanced housing requirements as provided in
11 Section 18 of R.A. 7279 and its implementing rules and regulations are
12 implemented and enforced;
- 13
- 14 e) In coordination with other offices within the LGU, monitor the
15 nature and progress of land development of projects that the Board has
16 approved, as well as housing construction in the case of house and lot
17 packages, to ensure their faithfulness to the approved plans and specifications
18 thereof, and impose appropriate measures to enforce compliance therewith;
- 19
- 20 f) Conduct an inventory of all lands within their respective localities,
21 and update the same every three (3) years, in accordance with Section 7 of
22 R.A. 7279 and guidelines issued for the purpose;
- 23
- 24 g) Identify the sites for socialized housing, subject to the requirements
25 prescribed by Section 8 of R.A. 7279 and guidelines issued for the purpose;
- 26
- 27 h) Ensure the registration of underprivileged and homeless urban or
28 rural dwellers as socialized housing beneficiaries under Sections 16 and 17 of
29 R.A. 7279: *Provided That* the Local Housing Office shall assume the functions
30 of city or municipal registration committees as constituted under the
31 implementing rules and regulations of the same sections;
- 32
- 33 i) Ensure the prevention of proliferation of professional squatters and
34 squatting syndicates within its jurisdiction;
- 35
- 36 h) Ensure the enforcement of laws, policies and programs on housing
37 and shelter as provided for under laws and such directives, rules and
38 regulations adopted by the Board;
- 39
- 40 k) Assist in the organization of housing and shelter cooperatives,
41 associations or organizations in establishing linkages with government
42 agencies and NGOs involved in the promotion and integration of the concept
43 of shelter development and generation, taking into account the livelihood of
44 the people and other community activities;
- 45

1 j) Provide technical and other forms of assistance to existing housing
2 associations or cooperatives to enhance their viability as economic enterprises
3 and social organizations;

4
5 k) Coordinate with government agencies and instrumentalities
6 performing functions which may affect housing and urban development; and
7

8 l) Perform such other duties and functions as may be prescribed by law
9 or ordinance.

10
11 **SEC. 7. Local Housing Officer.** - A Local Housing Officer who shall be
12 a career official shall head the local housing office. No person shall be
13 appointed Local Housing Officer unless, he is a citizen of the Philippines, a
14 resident of the LGU concerned, of good moral character, a holder of a college
15 degree either in public administration, urban planning, civil engineering,
16 economics, development studies or such other related courses. He must have
17 at least five (5) years experience in the case of cities, and three (3) years
18 experience in the case of municipalities, either in housing development
19 projects, organization of housing associations or cooperatives, management
20 and operation of housing and shelter programs or such other related
21 activities.
22

23 **SEC. 8. Generation and Mobilization of Resources.** - The Boards are
24 hereby constituted as the primary entities tasked to advise local development
25 councils on matters of sourcing of funds for socialized housing. For this
26 purpose, the Boards may recommend the following schemes for funding
27 socialized housing projects:
28

29 a) Build-operate-transfer and other related schemes;

30
31 b) Bond flotation and other credit financing arrangements;

32
33 c) Availment of foreign or local grants: *Provided*, That local housing
34 boards are hereby authorized to receive foreign and local grants which shall
35 be remitted to the local treasury, and shall be credited to the socialized
36 housing account of the local government unit concerned;
37

38 d) Loan packages from government financing/lending institutions;

39
40 e) Joint venture projects with private sector groups or developers and
41 with NGOs and POs; and
42

43 f) Pooling of resources between and among LGUs, the private sector,
44 NGOs and POs.
45

1 **SEC. 9. Meetings and Quorum.** - The Board shall have its meeting at
2 least once a month or as often as may be deemed necessary. The presence of
3 the Chairperson or the Vice-Chairperson and a majority of the members of the
4 Board shall constitute a quorum. Special meetings may be called by the
5 Chairperson or by a majority of the members when situations so warrant. The
6 Board through a simple majority shall reach decisions.

7
8 A written notice of the date, time, place and agenda of the meeting
9 shall be sent to each member of the Board at least three (3) days prior to the
10 scheduled meeting or at least one (1) day, if it is a special meeting.

11
12 **SEC. 10. Compensation and Remuneration.** - Members of the Board
13 who are not government officials or employees shall be entitled to the
14 necessary traveling expenses and allowances chargeable against the funds of
15 the local housing board concerned, subject to existing accounting and
16 auditing rules and regulations.

17
18 This does not cities and municipalities from mobilizing other possible
19 funding sources for the compensation and remuneration of members of the
20 Board who are not government officials or employees.

21
22 **SEC. 11. Special Housing Trust Fund.** - Cities and municipalities shall
23 establish a special account to be called the "Special Housing Trust Fund" to
24 initially establish the local housing office and as source of funds for the
25 housing programs of the city/municipality for the underprivileged and
26 homeless. Sources of said trust fund shall come from, but not limited to, the
27 following:

28 a) Proceeds generated from the collection of the additional one-half
29 percent (0.5%) tax on real properties;

30
31 b) All funds/monies generated from various sources intended for
32 housing and other related development programs; and

33
34 c) All payments, remittances, accrued interests, penalties, and such
35 other fees generated from housing related activities.

36
37 **SEC. 12. Roles of Stakeholders.** In order to facilitate the work of the
38 Board, the roles of the stakeholders shall be as provided for under this section:

39
40 a. The Local Government Unit shall:

41
42 1) Identify and prioritize areas for housing development;

43 2) Plan on the total housing need of its constituents;

44 3) Provide basic information relative to the areas that may be proposed for
45 issuance of Presidential Proclamation;

46 4) Assist in the conduct of verification survey;

- 1 5) Monitor and oversee the implementation of the activities in accordance
- 2 with their respective work programs; and
- 3 6) Prepare the detailed work program for approved housing projects.

4
5 b. Housing and Urban Development Coordinating Council shall:

- 6
- 7 1) Recommend to the local housing board, options for the development of
- 8 sites or disposition schemes to the intended beneficiaries;
- 9 2) Process and recommend to the President, idle or underutilized government
- 10 lands identified by the local housing board as sites which are suitable for
- 11 housing purposes;
- 12 3) Solicit assistance from other national government agencies whose functions
- 13 and services are necessary in the provision of housing and delivery of basic
- 14 services;
- 15 4) Through the National Housing Authority (NHA), prepare the Master
- 16 Development Plans of the areas identified for housing;
- 17 5) Identify and recommend housing projects/programs which can be
- 18 implemented and funded through alternative schemes; and
- 19 6) Draw-up guidelines as well as Terms of Reference to cover the
- 20 implementation of identified priority housing projects.

21
22 c. The Presidential Commission for the Urban Poor shall:

- 23
- 24 1) Monitor all evictions and demolitions, whether extra-judicial or court-
- 25 ordered, involving homeless and underprivileged citizens;
- 26 2) Require the concerned departments and agencies, including concerned
- 27 LGUs, proposing to undertake demolition and eviction activities to secure
- 28 first from either the PCUP Central Office, in the case of national projects, or
- 29 from the PCUP Regional Office concerned, in the case of regional or local
- 30 projects, the checklists, guidelines and compliance certificates on demolition
- 31 and eviction prior to the actual implementation thereof and thereafter, submit
- 32 to the PCUP the completed checklist, attested to under oath by the proponent
- 33 that the provisions of Section 28 of RA 7279 or its implementing rules and
- 34 regulations have been complied with;
- 35 3) Based on the completed checklist and subject to further verification, issue
- 36 demolition and eviction compliance certificates to proposed demolitions and
- 37 evictions involving homeless and underprivileged citizens;
- 38 4) Investigate *motu proprio* or upon complaint by any party, any violation of the
- 39 provisions of Section 28 of RA 7279 and its implementing rules and
- 40 regulations;
- 41 5) File *motu proprio* or by way of assistance to any aggrieved party, the
- 42 appropriate criminal, civil or administrative case against any person or
- 43 persons found to have violated the provisions of Section 28 of RA 7279 or its
- 44 implementing rules and regulations; and
- 45 6) Such other functions as provided for under Executive Order No. 152, series
- 46 of

1 2002.

2
3 d. The PO and NGO representatives shall:

- 4
5 1) Assist in the holding of dialogues and consultations with affected families
6 leading to their full acceptance and support to the program;
7 2) Provide feedback mechanism to the Local Housing Board and ensure urban
8 poor participation in the decision-making process;
9 3) Assist the Local Housing Board in processing applications and documents;
10 4) Provide support to the local housing board in the community relations,
11 social preparations and information disseminations and motivation activities
12 at the identified housing sites;
13 5) Actively participate in the drawing up of the development plan for the
14 area; and
15 6) Identify pro-poor programs to uplift the socio-economic conditions of the
16 affected urban poor residents.

17
18 **SEC. 13. Penalties.** - Unjustified failure or refusal of a mayor to
19 constitute the local housing board as created and defined by this Act, shall
20 subject the national and local government officials and employees responsible
21 for the such omission, misrepresentation, fraud, or unjustified failure or
22 refusal to:

23
24 a) Disciplinary action under Book I, Title Two, Chapter 4 of the Local
25 Code; and/or Government

26
27 b) Prosecution under the penalty clause of the UDHA.
28

29 **SEC. 14. Transitory Provisions.** - Local chief executives of cities and
30 first to third class municipalities shall constitute their respective Boards
31 within ninety (90) days from the promulgation of the implementing rules and
32 regulations of this Act. Local Chief Executives of fourth to sixth class
33 municipalities are given a minimum of two (2) years from the promulgation
34 of the implementing rules and regulations of this Act to constitute their
35 Boards. Failure to constitute the Board within this prescribed period shall be
36 *prima facie* evidence of unjustified failure or refusal to do so.
37

38 Cities and municipalities with existing local housing and urban
39 development boards or similar entities are hereby given ninety (90) days from
40 the promulgation of the implementing rules and regulations of this Act to
41 conform with the provisions of this Act: *Provided*, That nothing herein stated
42 shall preclude cities and municipalities from designating additional functions
43 and/or appropriating additional funds to achieve the objectives of this Act.
44

45 **SEC. 15. Implementing Rules and Regulations.** - Within sixty (60) days
46 after the approval of this Act, the HUDCC and the DILG, in consultation with

1 the concerned government agencies, the private sector, POs and NGOs, shall
2 formulate the appropriate rules and regulations necessary to effectively
3 implement any or all of the provisions of this Act. Such rules and regulations
4 shall include, among others, guidelines on the following:

5
6 a) Resource generation and mobilization for socialized housing
7 purposes;

8
9 b) Schemes for local government housing assistance; and

10
11 c) Accreditation and selection of representatives of the private sector,
12 NGOs and POs to the local housing board.

13
14 **SEC. 16. Repealing Clause.** - (a) Sections 447 (a) (2) (x) and 458 (a) (2)
15 (x) of the Local Government Code are hereby repealed; (b) Section 107 (b) of
16 the Local Government Code is hereby amended; and (c) All laws, decrees,
17 executive orders, proclamations, rules and regulations, and other issuances, or
18 part or parts thereof, which are inconsistent with the provisions of this Act are
19 hereby repealed or modified accordingly.

20
21 **Sec. 17. Separability Clause.** - If for any reason, any provision of this
22 Act is declared invalid or unconstitutional, the remaining provisions not
23 affected thereby shall continue to be in force and effect.

24
25 **Sec. 18. Effectivity Clause.** - This Act shall take effect fifteen (15) days
26 after its publication in at least two (2) newspapers of general circulation.

27
28
29 *Approved,*