

SENATE  
S.B. No. 1874

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**EXPLANATORY NOTE**

The country's inclusive growth imperative demands that no sector of society be left behind in progress and development. However, recent data shows that despite the healthy and sustained growth enjoyed by the Philippine economy, a large sector of the population remains jobless, poor, and hungry. Among the most marginalized sectors is the urban population, which comprises about 12.8% in 2009 of the total Philippine population.

One of the key issues hounding the urban poor is that of housing and relocation. According to the Philippine Development Plan for 2010 to 2016, the country's total housing need, including "backlog" and "housing for new households," is estimated to reach around 5.9 million units by 2016. Informal settlements have increased by more than 22% (or 1.2 million) between 2003 and 2009. Meanwhile, other data show that the Philippines' annual expenditure for housing accounts for less than 0.1 of the country's gross domestic product (GDP)—the lowest figure in Asia.

Clearly, much more needs to be done for the country's urban poor; to provide security of shelter is an urgent first step.

No less than the Philippine Constitution provides for the protection of the marginalized, the powerless, and the oppressed citizens of this country against any violent eviction and/or demolition. It likewise mandates the provision of decent public housing at affordable costs, coupled with basic services and livelihood opportunities. Section 10, Article XIII of the Constitution states that "urban or rural poor dwellers shall not be evicted nor their dwelling demolished, except in accordance with law and in a just and humane manner."

To carry out this constitutional mandate, Republic Act (RA) No. 7279 or the Urban Development and Housing Act was enacted to, among others, "uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas" and "provide for an equitable land tenure system that shall guarantee security of tenure to Program beneficiaries." However, recent incidences of violent evictions and demolitions show the gaps of the current law, requiring the review and amendment of the law.

This bill, therefore, strengthens the Urban Development and Housing Act by further securing the urban poor from violent and unjust evictions and demolition of their homes. It also seeks to ensure that, in the case of relocation, housing beneficiaries be relocated near their homes where they have access not only to basic services but also, and just as important, to jobs and livelihood that will give them the means to raise themselves and their families out of poverty.

The bill further provides that consultation must be effectively done with the active participation of affected communities, particularly in the identification and approval of relocation sites. This also expands the mandate of the law by requiring developers to develop an area for socialized housing equivalent to at least twenty percent (20%) of the total area or project cost—at the option of the developer—not only on proposed subdivision projects but all other land development projects.

This bill also broadens the penalties on violations of the Urban Development and Housing Act.

We firmly believe that it is the duty of the State to protect those who are unable to protect themselves. As the great late President Ramon Magsaysay had once said, "He who has less in life should have more in law."

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

A handwritten signature in black ink, reading "Bam Aquino". The signature is fluid and cursive, with the first name "Bam" being larger and more prominent than the last name "Aquino".

Senator Paolo Benigno "Bam" A. Aquino IV

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

Secretary

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**AN ACT**  
**STRENGTHENING AND SECURING THE RIGHTS OF THE URBAN POOR AGAINST EVICTIONS**  
**AND/OR DEMOLITIONS AND TO PROVIDE ADEQUATE HOUSING AMENDING FOR THIS**  
**PURPOSE REPUBLIC ACT NO. 7279 OTHERWISE KNOWN AS "AN ACT TO PROVIDE FOR A**  
**COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM,**  
**ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES" OR**  
**THE "URBAN DEVELOPMENT AND HOUSING ACT OF 1992".**

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

1 **SECTION 1.** Section 3 of Republic Act 7279 is hereby amended to read as follows:

2 **Sec. 3. *Definition of Terms.*** — For purposes of this Act:

3 x x x

4 **(C) "BLANKET LOAN/WHOLESALE LOAN" – SHALL REFER TO A HOUSING LOAN CONTRACTED**  
5 **OR OBTAINED BY A HOUSING COOPERATIVE INTENDED TO IDENTIFY MEMBER-BENEFICIARIES**  
6 **FOR LAND ACQUISITION, LAND IMPROVEMENT, HOUSE CONSTRUCTION, HOME**  
7 **IMPROVEMENT, OR RENOVATION AND OTHER SIMILAR PURPOSES.**

8 x x x

9 **F) "DANGER ZONE/HIGH RISK AREAS" REFERS TO AREAS WITH HIGH LEVEL OF THREAT TO THE**  
10 **LIVES AND WELL-BEING OF PEOPLE THAT CANNOT BE ADDRESSED THROUGH SCIENTIFIC,**  
11 **PHYSICAL AND ENGINEERING METHODS, AND THUS NOT SUITABLE FOR RESETTLEMENT AND**  
12 **PERMANENT STRUCTURES. AREAS CAN ONLY BE DECLARED AS A DANGER ZONE/HIGH RISK**  
13 **AREA AFTER CONDUCTING A PROPER TECHNICAL STUDY AND PUBLIC CONSULTATIONS WITH**  
14 **AFFECTED FAMILIES.**

15 **(G) "HOUSING COOPERATIVES" AS DEFINED IN THE COOPERATIVE CODE OF 2008 (RA 9520),**  
16 **REFERS TO COOPERATIVES ORGANIZED TO ASSIST OR PROVIDE ACCESS TO HOUSING FOR THE**  
17 **BENEFIT OF ITS REGULAR MEMBERS WHO ACTIVELY PARTICIPATE IN THE SAVINGS PROGRAM**  
18 **FOR HOUSING. IT IS CO-OWNED AND CONTROLLED BY ITS MEMBERS.**

19 x x x

1 Q) "Resettlement areas" refers to areas identified by the appropriate national agency or by the  
2 LGU with respect to areas within its jurisdiction, which shall be used for the relocation of the  
3 underprivileged and homeless citizens. **THE RESETTLEMENT AREAS MUST BE WITHIN THE**  
4 **SAME CITY OR MUNICIPALITY UNLESS IT IS SUBSTANTIALLY PROVEN THAT SUCH IS NOT**  
5 **FEASIBLE OR PRACTICABLE.**

6 x x x"

7 **SECTION 2.** Section 5 of Republic Act 7279 is hereby amended to read as follows:

8 "Section 5. Exemptions. – The following lands shall be exempt from the coverage of this  
9 Act:

10 a) Those included in the coverage of Republic Act No. 6657, otherwise known as  
11 the Comprehensive Agrarian Reform Law;

12 b) Those actually used for national defense and security of the State;

13 c) Those used, reserved or otherwise set aside for government offices, facilities  
14 and other installations, whether owned by the National Government, its  
15 agencies and instrumentalities, including government-owned or controlled  
16 corporations, or by the local government units: Provided, however, That the  
17 lands herein mentioned, or portions thereof, which have not been used for the  
18 purpose for which they have been reserved or set aside for the past ten (10)  
19 years from the effectivity of this Act, shall be covered by this Act;

20 d) Those used or set aside for parks, reserves for flora and fauna, forests and  
21 watersheds, and other areas necessary to maintain ecological balance or  
22 environmental protection, as determined and certified to by the proper  
23 government agency; and

24 e) Those actually and primarily used for religious, charitable, or educational  
25 purposes, cultural and historical sites, hospitals and health centers, and  
26 cemeteries or memorial parks.

27  
28 The exemptions herein provided shall not apply when the use or purpose of the  
29 abovementioned lands has ceased to exist;

30  
31 **PROVIDED, THAT ANY EVICTION OR DEMOLITION ON THE AFOREMENTIONED LANDS**  
32 **SHALL STILL COMPLY STRICTLY WITH SECTION 28 HEREOF BEFORE ANY DEMOLITION**  
33 **OR EVICTION CAN BE EFFECTED."**

34 **SECTION 3.** Section 8 of Republic Act 7279 is hereby amended to read as follows:

35 "Section 8. Identification of Sites for Socialized Housing. - After the inventory the local  
36 government units, in coordination with the National Housing Authority, the Housing and  
37 Land Use Regulatory Board, the National Mapping Resource Information Authority, and  
38 the Land Management Bureau, shall identify lands for socialized housing and  
39 resettlement areas for the immediate and future needs of the underprivileged and  
40 homeless in the urban areas, taking into consideration and degree of availability of basic  
41 services and facilities, their accessibility and proximity of jobs sites and other economic  
42 opportunities, and the actual number of registered beneficiaries.

1 Government-owned lands under paragraph (b) of the preceding section which have not  
2 been used for the purpose for which they have been reserved or set aside for the past  
3 ten (10) years from the effectivity of this Act and certified as suitable for socialized  
4 housing, shall **AUTOMATICALLY** [immediately] be transferred to the National Housing  
5 Authority [subject to the approval of the President of the Philippines or by the local  
6 government unit concerned, as the case may be,] for proper disposition in accordance  
7 with this Act."

8 **SECTION 4.** Section 10 of Republic Act 7279 is hereby amended to read as follows:

9 "Section 10. Modes of Land Acquisition. - The modes of acquiring lands for purposes of  
10 this Act shall include, among others, community mortgage, **HOUSING COOPERATIVE**  
11 **PROJECT**, land swapping, land assembly or consolidation, land banking, donation to the  
12 Government, joint-venture agreement, negotiated purchase, and expropriation:  
13 [Provided, however, That expropriation shall be resorted to only when other modes of  
14 acquisition have been exhausted.] Provided, [further] that where expropriation is  
15 resorted to, parcels of land owned by small property owners shall be exempted for  
16 purposes of 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 procedure laid  
18 down in Rule 91 of the Rules of Court.

19 **IN THE CASE OF EXPROPRIATION, A DEPOSIT OF TEN PERCENT (10%) OF THE MARKET**  
20 **VALUE OF THE LAND, AS INDICATED IN THE TAX DECLARATION, SHALL BE MADE IN**  
21 **ACCORDANCE WITH LAWS. JUST COMPENSATION SHALL BE DETERMINED AS**  
22 **PROVIDED BY THE RULES OF COURT.**

23 For the purpose of socialized housing, government-owned and foreclosed properties  
24 shall be acquired by the local government units, or by the National Housing Authority  
25 primarily through negotiated purchase: Provided, that qualified beneficiaries who are  
26 actual occupants of the land shall be given the right of first refusal."

27 **SECTION 5.** Section 16 of Republic Act 7279 is hereby amended to read as follows:

28 "Section 16. Eligibility Criteria for Socialized Housing Program Beneficiaries. - To  
29 qualify **AS A BENEFICIARY** for the socialized housing program, [a beneficiary] **THE**  
30 **REQUIREMENTS ARE LIMITED TO THE FOLLOWING:**

31 (a) Must be a Filipino citizen;

32 (b) Must be an underprivileged and homeless citizen, as defined in Section 3 of  
33 this Act;

34 (c) Must not own any real property whether in the urban or rural areas; and

35 (d) Must not be a professional squatter or a member of squatting syndicates.

36 **THERE SHALL BE NO CUT-OFF DATE FOR ONE TO BE CONSIDERED A BENEFICIARY**  
37 **UNDER THIS ACT."**

38 **SECTION 6.** Section 18 of Republic Act 7279 is hereby amended to read as follows:

39 "Section 18. Balanced Housing Development. The Program shall include a system to be  
40 specified in the Framework plan whereby developers of proposed subdivision projects,  
41

1 **CONDOMINIUMS, MEMORIAL PARKS, GOLF COURSES AND ALL OTHER LAND**  
2 **DEVELOPMENT PROJECTS** shall be required to develop an area for socialized housing  
3 equivalent to at least twenty percent (20%) of the total [subdivision] **LAND** area sought  
4 to be developed or total [subdivision] **LAND DEVELOPMENT** project cost, at the option  
5 of the developer, within the same city or municipality, whenever feasible, and in  
6 accordance with the standards set by the Housing and Use and Regulatory Board and  
7 other existing laws. **SUCH OPTION OF THE DEVELOPER MUST BE CLEARLY DEFINED AND**  
8 **MADE MANIFEST IN ITS APPLICATION FOR THE PROJECT. FURTHERMORE, THE SAID**  
9 **20% COMPLIANCE MUST BE WITHIN THE SAME CITY OR MUNICIPALITY. ONLY WHEN**  
10 **THE DEVELOPER HAS SUBSTANTIALLY PROVEN THAT SUCH COMPLIANCE IS NOT**  
11 **FEASIBLE IN THE SAME CITY OR MUNICIPALITY CAN SUCH COMPLIANCE BE MADE**  
12 **OUTSIDE THEREOF. IN THE CASE OF THE LATTER, SAID COMPLIANCE MUST BE MADE**  
13 **IN THE ADJACENT CITY OR MUNICIPALITY WHERE THE PROJECT IS TO BE UNDERTAKEN**  
14 **UNLESS OTHERWISE APPROVED BY THE LOCAL SANGGUNIAN AND ONLY AFTER A**  
15 **FAVORABLE RECOMMENDATION FROM THE LOCAL HOUSING BOARD OR SIMILAR**  
16 **OFFICE.**

17  
18 The balanced housing development as herein required may be complied with by the  
19 developers concerned in [any of] the following manner:  
20

- 21 a) Development of new settlement;
- 22 b) *Slum upgrading or renewal of areas for priority development* either through  
23 zonal improvement programs or slum improvement and resettlement programs;
- 24 c) Joint-venture projects with either the local government units or any of the  
25 housing agencies; or
- 26 d) Participation in the community mortgage program."

27 **SECTION 7.** Section 23 of Republic Act 7279 is hereby amended to read as follows:

28 "Section 23. Participation of beneficiaries. The local government units, in coordination  
29 with the Presidential Commission for the Urban Poor and concerned government  
30 agencies, shall afford Program beneficiaries or their duly designated representatives an  
31 opportunity to be heard and to participate in the decision-making process over matters  
32 involving the protection and promotion of their legitimate collective interest which shall  
33 include [appropriate documentation and feedback mechanisms], **THE IDENTIFICATION,**  
34 **NEGOTIATION AND APPROVAL OF THE LOCATION OF RELOCATION SITES.**  
35 **CONSULTATIONS SHALL INCLUDE APPROPRIATE DOCUMENTATION AND FEEDBACK**  
36 **MECHANISMS.** They shall also be encouraged to organize themselves and undertake  
37 self-help cooperative housing and other livelihood activities. They shall assist the  
38 government in preventing the incursions of professional squatting syndicates into their  
39 communities.

40 In the instances when the affected beneficiaries have failed to organize themselves or  
41 form an alliance within a reasonable period prior to the implementation of the program  
42 or projects affecting them, consultation between the implementing agency and the  
43 affected beneficiaries shall be conducted with the assistance of the Presidential  
44 Commission for the Urban Poor and the concerned non-government organization."

45 **SECTION 8.** Section 28 of Republic Act 7279 is hereby amended to read as follows:

1 "Section 28. Eviction and Demolition. Eviction or demolition as a practice shall be  
2 discouraged. Eviction or demolition [, however,] may **ONLY** be allowed under the  
3 following situations:

4 a) When persons or entities occupy danger areas such as esteros, railroad  
5 tracks, garbage dumps, riverbanks, shorelines, waterways, and other public  
6 places such as sidewalks, roads, parks, and playgrounds; and

7 b) When government infrastructure projects with available funding are about to  
8 be implemented.

9 c) When there is a court order for eviction and demolition.

10 In the execution of eviction or demolition orders involving underprivileged and  
11 homeless citizens, the following shall be mandatory:

12  
13 (1) Notice upon the effected persons or entities at least thirty (30) days prior to  
14 the date of eviction or demolition;

15 (2) Adequate consultations on the matter of resettlement with the duly  
16 designated representatives of the families to be resettled and the affected  
17 communities in the areas where they are to be relocated;

18 (3) Presence of local government officials or their representatives during eviction  
19 or demolition;

20 (4) Proper identification of all persons taking part in the demolition;

21 (5) Execution of eviction or demolition only during regular office hours from  
22 Mondays to Fridays and during good weather, unless the affected families  
23 consent otherwise;

24 (6) No use of heavy equipment for demolition except for structures that are  
25 permanent and of concrete materials;

26 (7) Proper uniforms for members of the Philippine National Police who shall  
27 occupy the first line of law enforcement and observe proper disturbance control  
28 procedures.

29 [(8) Adequate relocation, whether temporary or permanent: Provided, however,  
30 That in cases of eviction and demolition pursuant to a court order involving  
31 underprivileged and homeless citizens, relocation shall be undertaken by the  
32 local government unit concerned and the National Housing Authority with the  
33 assistance of other government agencies within forty-five (45) days from service  
34 of notice of final judgment by the court, after which period the said order shall  
35 be executed: Provided, further, That should relocation not be possible within the  
36 said period, financial assistance in the amount equivalent to the prevailing  
37 minimum daily wage multiplied by sixty (60) days shall be extended to the  
38 affected families by the local government unit concerned.]

39 **(8) THE AFFECTED COMMUNITIES SHALL HAVE ALREADY BEEN PROVIDED WITH**  
40 **A RELOCATION OR RESETTLEMENT SITE WITH BASIC SERVICES AND FACILITIES**  
41 **AND ACCESS TO EMPLOYMENT AND LIVELIHOOD OPPORTUNITIES SUFFICIENT**  
42 **TO MEET THE BASIC NEEDS OF THE AFFECTED FAMILIES. PROVIDED THAT, ANY**

1                   **FINANCIAL ASSISTANCE OFFERED AND/OR RECEIVED BY THE RELOCATED**  
2                   **FAMILIES SHALL NOT BE CONSIDERED A WAIVER OF THE OBLIGATION OF THE**  
3                   **IMPLEMENTING AGENCY AND/OR LOCAL GOVERNMENT UNIT TO PROVIDE**  
4                   **PROPER RELOCATION.**

5                   The Department of the Interior and Local Government and the Housing and Urban  
6                   Development Coordinating Council shall jointly promulgate the necessary rules and  
7                   regulations to carry out the above provision."

8                   **"Section 28-A. BURDEN OF PROOF. IN ANY EVICTION OR DEMOLITION INVOLVING**  
9                   **UNDERPRIVILEGED AND HOMELESS CITIZENS, THE AGENCY WHICH SEEKS TO**  
10                   **IMPLEMENT THE DEMOLITION MUST SUFFICIENTLY PROVE THE FOLLOWING:**

11                   **(A) IN CASES OF EVICTIONS OR DEMOLITIONS INVOLVING DANGER AREAS, THE**  
12                   **DANGEROUS CIRCUMSTANCES AFFECTING THE RESIDENTS TO BE EVICTED AND**  
13                   **HOUSES TO BE DEMOLISHED; AND**

14                   **(B) IN CASES OF EVICTIONS OR DEMOLITIONS INVOLVING GOVERNMENT**  
15                   **INFRASTRUCTURE PROJECTS, THE SUBSTANCE OF THE PROPOSED PROJECT AND**  
16                   **THE BUDGET PERTAINING TO IT."**

17                   **SECTION 9.** Section 40 of Republic Act 7279 is hereby amended to read as follows:

18                   "Section 40. Role of Government Housing Agencies. – In addition to their respective  
19                   existing powers and functions, and those provided for in this Act, the hereunder  
20                   mentioned housing agencies shall perform the following:

21                   (a) The Housing and Urban Development Coordinating Council shall, through the  
22                   key housing agencies, provide local government units with necessary support  
23                   such as:

24   (1) Formulation of standards and guidelines as well as providing technical  
25   support in the preparation of town and land use plans;

26   (2) In coordination with the National Economic and Development  
27   Authority and the National Statistics Office, provide data and information  
28   for forward-planning by the local government units in their areas,  
29   particularly on projections as to the population and development trends  
30   in their localities and the corresponding investment programs needed to  
31   provide appropriate types and levels of infrastructure, utilities, services  
32   and land use patterns; and

33   (3) Assistance in obtaining funds and other resources needed in the  
34   urban development and housing programs in their areas or responsibility.  
35

36                   (b) The National Housing Authority, upon request of local government units,  
37                   shall provide technical and other forms of assistance in the implementation of  
38                   their respective urban development and housing programs with the objective of  
39                   augmenting and enhancing local government capabilities in the provision of  
40                   housing benefits to their constituents;  
41

42                   (c) The National Home Mortgage Finance Corporation shall administer the  
43                   Community Mortgage Program under this Act and promulgate rules and  
44                   regulations necessary to carry out the provisions of this Act; and  
45



1 (d) The Home Insurance Guaranty Corporation shall design an appropriate  
2 guarantee scheme to encourage financial institutions to go into direct lending for  
3 housing.

4 **SEC. 40-A. CREATION OF SOCIALIZED HOUSING COMMISSION. A SOCIALIZED HOUSING**  
5 **COMMISSION SHALL BE ESTABLISHED WITH QUASI-JUDICIAL POWERS AND**  
6 **AUTHORITY WITH EXCLUSIVE JURISDICTION OVER ALL ISSUES ARISING FROM THE**  
7 **IMPLEMENTATION OF THIS ACT, ITS IMPLEMENTING RULES AND REGULATIONS,**  
8 **PARTICULARLY HOUSING RIGHTS OF THE HOMELESS AND UNDERPRIVILEGED,**  
9 **INCLUDING BUT NOT LIMITED TO ISSUES INVOLVING DEMOLITION, EVICTION,**  
10 **RESETTLEMENT, RELOCATION PARTICULARLY IN RELATION TO SECTION 28 AND**  
11 **IMPLEMENTATION OF BALANCED HOUSING DEVELOPMENT UNDER SECTION 18**  
12 **HEREOF, COMMUNITY MORTGAGE PROGRAM, AND HOUSING RIGHTS PROVIDED IN**  
13 **THE CONSTITUTION, INTERNATIONAL COVENANTS OF WHICH THE PHILIPPINES IS A**  
14 **SIGNATORY."**

15 **SECTION 10.** Section 45 of Republic Act 7279 is hereby amended to read as follows:

16 "Sec. 45. Penalty Clause. Any person who violates any provision of this Act shall be  
17 imposed the penalty of not more than six (6) years of imprisonment or a fine of not less  
18 than **TWENTY-FIVE [Five] thousand pesos (P25,000) [(P5,000)]** but not more than One  
19 hundred thousand pesos (P100,000), or both, at the discretion of the court: Provided,  
20 That, if the offender is a corporation, partnership, association, or other juridical entity,  
21 the penalty shall be imposed on the officer or officers of said corporation, partnership,  
22 association, or juridical entity who caused the violation."

23 **SECTION 11. Separability Clause.** – If any provision of this Act, or any part thereof, is declared  
24 unconstitutional, the same shall not affect the validity and effectivity of the other portions.

25 **SECTION 12. Repealing Clause.** – All laws, executive orders, presidential decrees, proclamations,  
26 rules, regulations, issuances, and enactments or parts thereof inconsistent with this Act are  
27 hereby repealed or modified accordingly.

28 **SECTION 13. Effectivity.** – This Act shall take effect after fifteen (15) days from its complete  
29 publication either in the Official Gazette or in a newspaper of general circulation in the  
30 Philippines.

31 Approved,