CONGRESS OF THE PHILIPPINES SIXTEENTH CONGRESS First Regular Session



14 MAR -4 P2:57

SENATE

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Senate Bill No. 2161

# RECEIVED BY:

## Introduced By Senator Vicente C. Sotto III

#### **EXPLANATORY NOTE**

The 1987 Constitution provides that the State shall ensure the autonomy of local government units. It also provides that the local government units shall have the power to create its own sources of revenues subject to such guidelines and limitation as Congress may provide, consistent with the basic policy of local autonomy. As such, the State upholds the autonomy and the decentralization to the local government of urban renewal projects and programs for the delivery of basic services such as low-cost or socialized housing, health services, education and livelihood within its jurisdiction.

The bill seeks to create the Quezon City Development Authority (QCDA). It shall address Quezon City's pressing housing, development and urban renewal concerns. If passed into law, it will stand as a government-owned and controlled corporation, covered by the provisions of Republic Act No. 10149 (The GOCC Governance Act of 2011) and subject to the jurisdiction of the Governance Commission for GOCCs (GCG).

The QCDA will address socialized housing and urban renewal concerns within Quezon City, including:

- To provide adequate and affordable housing to marginal and low-income families in Quezon City;
- To encourage the participation of the private sector in housing ventures and urban renewal;
- To promote greening and development of vacant, blighted and underutilized lands in Quezon City owned by the local government; and,
- To provide to the constituency of Quezon City projects that will improve their quality of life, such as affordable means and schemes of transportation, energy, telecommunication, information technology and manufacturing.

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

VICENTE C. SOTTO II Senator



CONGRESS OF THE PHILIPPINES SIXTEENTH CONGRESS First Regular Session

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#### SENATE

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RECEIVED BY:

Senate Bill No. <u>216</u>1

## **Introduced By Senator Vicente C. Sotto III**

### AN ACT CREATING THE QUEZON CITY DEVELOPMENT AUTHORITY (QCDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS ORGANIZATIONAL STRUCTURE AND CAPITALIZATION

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

23 SECTION 1. *Short Title.* - This Act shall be known as the "Charter of the 24 Quezon City Development Authority".

SEC. 2. Declaration of Policy. - The 1987 Constitution provides that the 26 27 State shall ensure the autonomy of local government units. It also provides that the local government units shall have the power to create its own sources 28 of revenues subject to such guidelines and limitation as Congress may provide, 29 consistent with the basic policy of local autonomy. As such, the State upholds 30 the autonomy and the decentralization to the local government of urban 31 renewal projects and programs for the delivery of basic services such as low-32 cost or socialized housing, health services, education and livelihood within its 33 jurisdiction. 34

The State shall undertake, in cooperation with the private sector, a continuing program of urban land reform and development through investment schemes, infrastructure projects such as low-cost housing programs, telecommunication projects, transportation programs, information technology and manufacturing projects in order to provide affordable and decent housing as well as basic services.

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SEC. 3. Definition of Terms.-As used in this Act:

45 (a) Areas for priority development refer to those areas declared as such
46 under existing statutes, ordinances, and pertinent executive issuances;
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(b) Blighted urban communities refer to the areas where the structures are dilapidated, obsolete and unsanitary, tending to depreciate the value of the land and prevent normal development and use of the area;

(c) Consultation refer to the constitutionally mandated process whereby the public, on their own or through people's organizations, is provided an 6 opportunity to be heard and to participate in the decision-making process on 7 matters involving the protection and promotion of their legitimate collective 8 interest, which shall include appropriate documentation and feedback 9 10 mechanisms;

11 (d) Idle lands refer to non-agricultural lands in urban and urbanized 12 areas on which no improvements, as herein defined, have been made by the 13 owner, as certified by the city assessor; 14

(e) Improvements refer to all types of buildings and residential units, 16 walls, fences, structures and constructions of all kinds of a fixed character or 17 which are adhered to the soil but shall not include trees, plants and growing 18 fruits except for urban community vegetable and fruit gardens maintained by 19 the landowner, an existing homeowner, a neighborhood association, the 20 barangay and the landowner's authorized representative; 21

(f) Marginal and low-income families refer to individuals or families 23 residing in urban and urbanized areas whose income or combined household 24 income falls within the poverty threshold as defined by the National Economic 25 and Development Authority and who do not own any housing facility or home 26 lot. These shall include those who live in makeshift dwelling units and do not 27 28 enjoy security of tenure;

(g) Monitoring refers to the collection, analysis, reporting and use of 30 information about the progress of resettlement, and focuses on physical and 31 financial targets and delivery of entitlements to people; 32

(h) On-site development refers to the process of upgrading and 34 rehabilitation of blighted urban areas with a view of minimizing displacement 35 of dwellers in said areas, and with provisions for basic services; 36 37

38 (i) Professional squatters refer to individuals or groups who occupy lands without the expressed consent of the landowner and who have sufficient 39 income for legitimate housing. The term also applies to persons who were 40 previously awarded home lots or housing units by the government but who 41 sold, leased or transferred the same to settle illegally in the same place or in 42 another urban area and non-bona fide occupants and intruders of land 43 44 reserved for socialized housing. The term shall not apply to individuals or groups who simply rent land and housing from professional squatters or 45 squatting syndicates; 46

(i) Resettlement areas refer to areas identified by the local government 48 unit which shall be used for the relocation of the underprivileged and homeless 49 50 families; and,

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(k) Socialized housing refers to the housing programs and projects covering real properties with or without existing houses undertaken by the government or the private sector for underprivileged and homeless citizens which shall include sites and services development, long term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of Republic Act No. 7279, otherwise know as the "Urban Development and Housing Act of 1992".

10 SEC. 4. *Creation.* There is hereby created a government-owned or – 11 controlled corporation to be known as the Quezon City Development Authority 12 (QCDA). It shall have its principal office in Quezon City.

14 The QCDA shall exist for a period of fifty (50) years from the effectivity of 15 this Act.

The QCDA shall be covered by the provisions of Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011," and be subject to the regulatory jurisdiction of the Governance Commission for GOCCs (GCG).

SEC. 5. *Socialized Housing Development.* – The QCDA shall maintain as its primary focus the development of socialized housing and urban renewal which may be accomplished in any of the following ways:

(a) Development of new settlement areas in the following order of priority:
 on-site, near site, in-city, and near city;

(b) Slum upgrading or renewal of areas for priority development and
 environmental improvement and resettlement program; and,

(c) Relocation of urban residents, including squatters and informal
 settlers who are involuntarily displaced due to the housing and urban renewal
 program.

For this purpose, the QCDA shall be required to develop an area for socialized housing equivalent to at least sixty percent (60%) of its total landholding.

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SEC. 6. *Objectives.* - The QCDA shall have the following objectives:

41 (a) To provide adequate and affordable housing to marginal and low-42 income families in Quezon City;

44 (b) To encourage the participation of the private sector in housing 45 ventures and urban renewal;

47 (c) To promote greening and development of vacant, blighted and
48 underutilized lands in Quezon City owned by the local government; and,
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1 (d) To provide to the constituency of Quezon City projects that will 2 improve their quality of life, such as affordable means and schemes of 3 transportation, energy, telecommunication, information technology and 4 manufacturing.

6 SEC. 7.*Capitalization and Funding.* - The QCDA shall have an authorized 7 capital stock of One billion pesos (Php1,000,000,000.00) divided into one 8 billion (1,000,000,000) shares having a par value of One peso (P1.00) each, 9 which shall be fully subscribed by the Quezon City government, the initial 10 payment for which shall be made as follows:

(a) Two hundred fifty million pesos (Php250,000,000.00) in cash upon
the effectivity of this Act; and,

(b) The equivalent sum of Two hundred million pesos
(Php200,000,000.00) in terms of properties to be conveyed by the Quezon City
government to QCDA within two (2) years after the effectivity of this Act.

19 SEC. 8. *Powers and Functions of the QCDA.* - The QCDA shall have the 20 following powers and functions in accordance with the established urban 21 development and housing plan prepared by the Quezon City government:

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(a) Develop and implement a comprehensive and integrated urban
 renewal program for Quezon City;

(b) Upgrade, renew or redevelop slums and other blighted urban
communities; develop resettlement sites, whether in-city or outside Quezon
City, with due consideration to ecological balance; and in general, enhance and
promote urban development in Quezon City;

(c) Purchase, develop, build, alter, construct, erect, enlarge, occupy,
manage, or otherwise deal in lands and buildings of every kind and character
whatsoever, whether belonging to or to be acquired by the QCDA;

(d) Invest its funds as it may deem proper, in bonds and securities issued
 and guaranteed by the city government or the national government;

(e) Promote housing development by providing technical assistance toany related development project;

41 (f) Receive donations, grants and bequests and use the same for the
42 resettlement of displaced families and development of socialized housing;
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(g) Enter into joint ventures, accept investments, enter into partnerships
and perform such other acts necessary to effect the policies and achieve the
objectives herein declared;

48 (h) Formulate and implement the recommendations of the Quezon City49 Local Housing Board;

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1 (i) Plan, implement and monitor urban renewal programs, in coordination 2 the Environmental Management Bureau of the Department of with Environment and Natural Resources, to protect and conserve unique, vital and 3 4 sensitive ecosystems, watershed areas, scenic landscapes, cultural sites and provide resources in terms of capital expenditures, lands, expertise, financing and other facilities for the sustained growth of Ouezon City;

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8 (i) Own lands, buildings, estates and other forms of real property 9 transferred to it or which it may acquire in the future;

(k) Develop, improve, administer, subdivide or lease any and all kinds of 11 lands, buildings, estates and other forms of real property turned over to the 12 13 QCDA by the national government and the Quezon City government; 14

(1) Invest in various proprietary ventures to earn income to pursue its 15 16 primary objective of urban renewal; and,

18 (m) Exercise all necessary corporate powers under Batas Pambansa Blg. 19 68, or the Corporation Code of the Philippines. 20

SEC. 9. Board of Directors. - The QCDA shall be governed by a board of 21 directors, hereinafter referred to as the "Board," which shall be composed of 22 nine (9) members, who shall be the following: 23

(a) The Quezon City Administrator as Chairperson;

(b) The head of the Quezon City Department of Housing;

(c) The head of the Quezon City Planning Department;

31 (d) One (1) representative from the Quezon City Local Housing Board who 32 shall not be an elected public official, to be nominated by the Local Housing 33 Board members themselves;

(e) Four (4) representatives from the private sector, all bonafide residents 35 36 of Quezon City; and,

38 (f) One (1) representative from the City Development Council who shall 39 not be an elected public official and who shall be nominated by the officers of 40 the City Development Council.

42 Every member of the Board must be qualified by the Fit and Proper Rule as determined by the GCG in accordance with the provisions of Republic Act 43 44 No. 10149.

The members of the Board shall be appointed by the President of the 46 47 Philippines from a shortlist submitted by the GCG in accordance with the provisions of Republic Act No. 10149: Provided, That in all Board positions, the 48 49 GCG shall give primacy to the nominees recommended by the City Mayor and 50 the City Council of Ouezon City.

The Board shall elect a presiding officer in the absence of the Chairperson.

The General Manager shall be elected by members of the Board from among their ranks. The General Manager must possess either: (1) a Career Service Executive Eligibility (CSEE) or Career Executive Service Officer (CESO) eligibility; (2) a post- graduate degree related to law, management or public administration; or (3) a minimum of ten (10) years of management experience; and, must be a recognized authority in housing or related field.

12 The General Manager shall be the Chief Executive Officer of QCDA and 13 shall be entitled to receive a salary in accordance with the guidelines 14 promulgated by the GCG, and shall serve for a fixed term of one (1) year, 15 unless sooner removed by the Board for cause.

17 The members of the Board may receive *per diems*, allowances, and 18 incentives in accordance with the guidelines promulgated by the GCG.

The Board shall meet regularly at least once a month, but special meetings may be called either by the Chairperson or by five (5) members of the Board, when necessary. Five (5) members of the Board shall constitute a quorum and any approval of business shall require the concurrence of at least five (5) members.

The Board may hire from time to time up to a maximum of two (2) consultants from the private sector who are known professionals in the urban renewal and housing industry, with proven track record. They shall be entitled to receive honoraria to be determined by the Board.

31 SEC. 10. *Powers and Duties of the Board.* - The Board shall have the 32 following powers and duties:

34 (a) Formulate, prescribe and promulgate the implementing rules and35 regulations required by this Act;

(b)Act upon the annual budget and such supplemental budgets of QCDA
submitted by the General Manager: *Provided*, That the Board may reduce but
may not increase any item proposed by the General Manager;

(c) Approve the organizational structure of the QCDA as well as its 41 staffing pattern, the salaries of the personnel and their powers and duties as 42 submitted by the General Manager: Provided, That the QCDA shall be covered 43 by Republic Act No. 6758, as amended by the Joint Resolution Nos. 1, series of 44 1994, and 4, series of 2009, the Compensation and Position Classification 45 System for GOCCs under Republic Act No. 10149, as approved by the 46 President of the Philippines: Provided, further, That prior approval from the 47 48 GCG shall be obtained therefor;

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(d) Formulate and enforce general and specific policies for housing development, resettlement and urban renewal and other policies that the QCDA may require for the effective discharge of its duties which are not contrary to existing laws;

(e) Order, authorize, direct and coordinate with offices and task forces of the Quezon City government in areas important to the implementation of its projects;

10 (f) Enter into contracts or agreements as may be necessary for the 11 attainment of the objectives of this Act with parties other than members of the 12 Board, Quezon City officials and employees and their relatives up to the fourth 13 civil degree of consanguinity or affinity, or any judicial entity where such 14 persons mentioned have pending cases or interest;

16 (g) Acquire by purchase privately owned lands for purposes of urban 17 renewal, housing development, resettlement and related services and 18 facilities:*Provided*, That the acquisition is with consent of the City Council 19 through a resolution;

(h) Design, formulate, negotiate, and implement financial or investmentschemes;

(i) Enable private sector assistance and participation in the achievement of the goals of the QCDA and in carrying out its operations;

(j) Render annual reports and special reports, as may be requested, in
 relation to Section 18 of this Act; and,

30 (k) Enter into and execute memoranda of agreements, joint ventures, 31 long-term leases and management contracts with private sector entities,to 32 include real estate developers or construction companies with dependable 33 repute and proven track record in developing and managing real estate 34 ventures.

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36 SEC. 11.Duties and Responsibilities of the General Manager. - The 37 General Manager, as the Chief Executive Officer of QCDA, shall have the 38 following duties and responsibilities:

40 (a) Execute, administer and implement the policies and measures 41 approved by the Board;

(b) Directly supervise the operation and internal affairs of the QCDA. The
General Manager may delegate certain administrative responsibilities to other
officers subject to the rules and regulations promulgated by the Board;

47 (c) Prepare the agenda for the meetings of the Board and submit for the
48 consideration of the Board the policies and measures necessary to carry out
49 the purposes of this Act;

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(d) Recommend the number and salaries of, appoint the subordinate 1 officers and personnel of the QCDA, and remove or otherwise discipline for 2 cause any officer or employee: Provided, That the QCDA shall be covered by Republic Act No. 6758, as amended by Joint Resolution Nos. 1, series of 1994, 4 and 4, series of 2009, the Compensation and Position Classification System for GOCCs under Republic Act No. 10149, as approved by the President of the Philippines: Provided, further, That prior approval from the GCG shall be 8 obtained therefor;

(e) Represent the QCDA in all dealings with other offices, agencies, and 10 instrumentalities of the government and with all persons and entities public or 11 private, domestic or foreign; and, 12

(f) Exercise such other powers and perform such other duties as may be 14 15 vested by the Board;

SEC. 12. Organizational Structure of the QCDA.-The General Manager 17 shall prepare the organizational structure of QCDA that would best carry out 18 its powers and functions, and attain the objectives of this Act and shall present 19 the same to the Board for its approval. 20

Subject to approval of the Board, the General Manager shall likewise 22 23 determine the rates of allowances, honoraria and other additional compensation, which the QCDA is hereby authorized to grant its officers, 24 technical staff, consultants and personnel detailed to it. 25

In all cases, the QCDA shall be covered by Republic Act No. 6758, as 27 amended by the Joint Resolution Nos. 1, series of 1994, and 4, series of 2009, 28 the Compensation and Position Classification System for GOCCs under 29 Republic Act No. 10149, as approved by the President of the Philippines: 30 Provided, That prior approval from the GCG shall be obtained therefor. 31

33 SEC. 13. Inventory of Lands.- Withinthree (3) months from the effectivity of this Act, an inventory of all kinds of lands and improvements thereon within 34 the territorial jurisdiction of Quezon City shall be conducted by three(3) 35 36 reputable independent appraisers as chosen by the Board. The inventory shall include the following: 37

(a) Lands owned by the national government in Quezon City; 39

(b) Lands owned by the Quezon City government;

(c) Unregistered or abandoned and idle lands; and,

45 (d) Other lands which may be of use to the Quezon City Government in pursuit of the objectives of this Act. 46

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In conducting the inventory, the independent appraisers shall indicate 48 the type of land use, the degree of land utilization and other data or information 49 necessary to carry out the purposes of this Act. They shall submit their report 50

on the appraisal and inventory of lands to the Board, the Quezon City Mayor and the Quezon City Council.

4 SEC. 14. Identification of Sites for Socialized Housing.- Afterthe inventory, the OCDA, in coordination with the Quezon City Council, shall identify lands 5 for socialized housing and resettlement areas suited for the immediate and 6 future needs of marginal and low-income families in Quezon City, taking into 7 consideration the degree of availability of basic services and facilities, their 8 accessibility and proximity to job sites and other economic opportunities, and 9 the actual number of registered beneficiaries. 10

Lands for socialized housing shall be acquired in the following order:

- (a) Those owned by the Quezon City government;
- (b) Alienable lands of the public domain;
- (c) Unregistered or abandoned and idle lands;

(d) Those within the declared areas for priority development Zonal 20 Improvement Program sites, and Slum Improvement and Resettlement Program 21 22 sites which have not yet been acquired;

- (e) Donated privately owned lands; and,
- (f) Private lands offered for sale by the owners.

Where on-site development is found by the Board to be more practicable 28 and advantageous to the beneficiaries, the priorities mentioned in this section 29 shall not apply. The QCDA shall give budgetary priority to on-site development 30 of government lands. 31

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SEC. 15. Completed Projects: Management and Disposition. - The QCDA 33 shall determine, establish and maintain the most feasible and effective program 34 for the management or disposition of specific urban renewal, housing or 35 resettlement projects undertaken by it. Unless otherwise decided by the Board, 36 completed housing or resettlement projects of the Quezon City government 37 shall be managed and administered by the QCDA: Provided, That the 38 communities and residents have been fully consulted on such arrangements. 39

SEC, 16. Eligibility Criteria for Socialized Housing Program Beneficiaries .-41 Toqualify for the socialized housing program, a beneficiary: 42

- (a) Must be a Filipino citizen; 44
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- (b) Must belong to the marginal and low-income families in Quezon City; 46
- (c) Must not own any real property in the urban area; and, 48
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1 (d) Must not be a professional squatter or a member of squatting syndicates.

4 Beneficiaries may also include employees of government entities with 5 offices situated in Quezon City whose salaries are not higher than salary grade 18 or its equivalent as certified by their offices' respective personnel 6 7 department: Provided, That they are not yet beneficiaries of any housing 8 program or own housing facilities.

In coordination with the Quezon City Council, the QCDA shall design a 10 11 system for the identification and registration of qualified program beneficiaries 12 in accordance with the objectives of this Act.

SEC. 17. Issuance of Bonds and Power to Borrow. - The QCDA may be 14 15 authorized to issue bonds and other securities and enter into any form of indebtedness to finance the implementation of its urban renewal and housing 16 program: Provided, That only so much of such bonds and securities as the 17 annual project implementation would require shall be issued and sold: 18 Provided, further, That no bonds and securities shall be issued unless eighty 19 20 percent (80%) of those already issued have been sold: Provided, finally, the total amount of the bonds orsecurities and long-term debts issued shall in no case 21 22 exceed twenty (20) times the paid-up capital and surplus of the QCDA. 23

24 The QCDA, in consultation with the Secretary of Finance and the Monetary Board, shall prescribe the form, the rate of interest and 25 26 denomination, maturities, negotiabilities, call or redemption features and all 27 other terms and conditions for the bonds and securities to be issued. 28

29 The bonds and securities issued under this Act, including the income thereof shall be exempted from all kinds of local taxes and from attachment, 30 execution and seizure which facts shall be stated on the face thereof. 31 32

33 SEC. 18. Reports .- TheQCDA shall submit an annual report to the Office 34 of the President of the Republic of the Philippines, both Houses of Congress, 35 the Representatives of Quezon City, the Quezon City Mayor and to the Quezon City Council indicating, among others, the urban renewal and housing 36 program being implemented, the stages of implementation and the financial 37 38 position of the QCDA. It shall likewise submit such periodic and other reports as may be required by the GCG, theQuezon City Mayor and the Quezon City 39 40 Council.

42 The Quezon City Council shall undertake the internal and external 43 monitoring of the housing and urban development of the QCDA to ensure 44 complete and objective information about the progress of resettlement and shall also: 45 46

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(a) Assess whether resettlement objectives have been met and specifically 47 48 whether livelihoods and living standards have been restored or enhanced; 49

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Assess resettlement efficiency, effectiveness, (b)impact and sustainability; and,

(c) Ascertain whether the resettlement entitlements were appropriate in meeting the resettlement objectives and whether the resettlement objectives were suited to the conditions.

SEC. 19. Dissolution. - In the event the QCDA is dissolved for any reason, all of its properties and other assets remaining at the time of such dissolution shall revert to the Quezon City government. 10

SEC. 20. Applicability of the Corporation Code.- Theprovisions of the 12 Corporation Code, insofar as these are not inconsistent with the provisions and 13 14 policies provided in this Act, shall be applicable and suppletory.

SEC. 21. Transitory Provision. - The Quezon City Housing and Urban 16 Renewal Authority (OC-HURA), created by the Ouezon City Ordinance No. SP-17 1236 (series of 2003) shall be dissolved upon the effectivity of this Act. All 18 assets, liabilities, and projects of the QC-HURA shall automatically be 19 20 transferred to the QCDA, which will have the discretion to absorb the existing manpower complement of the QC-HURA. 21

SEC. 22. Separability Clause.- Shouldany section or provision of this Act 23 be declared by the courts to be unconstitutional, the validity of this Act or any 24 part hereof other than the part so declared to be unconstitutional or invalid 25 shall not be affected. Any portion hereof not affected by such declaration shall 26 27 remain in full force and effect.

29 SEC. 23. Repealing Clause. - All laws, ordinances, executive orders, administrative orders, rules, regulations, decrees and other issuances or parts 30 thereof which are inconsistent with the provisions of this Act are hereby 31 revoked, repealed or modified accordingly. 32

34 SEC. 24. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or ina newspaper of general circulation in the 35 Philippines. 36

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