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Prepared jointly by the Committees on Urban Planning, Housing and Resettlement; and Local Government
with Senators Biazon and Lim as authors

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 the House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Short Title.** - This Act shall be known as the "Local Housing Boards Act."

2 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to:

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

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

8 c) Protect urban and rural poor dwellers from evictions or demolitions undertaken in violation of
9 the law or, in an unjust or inhumane manner;

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

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

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

18 Toward this end, the State shall provide for a more responsive and accountable local government
19 structure instituted through a system of decentralization whereby LGUs, through the creation of local

1 housing boards, shall be given more powers, authority, responsibilities and resources in the planning and
2 execution of their housing programs.

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

5 a) *Balanced Housing Requirement* refers to the mandate pursuant to Section 18 of the Urban
6 Development and Housing Act (UDHA) of 1992;

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

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

13 d) *Local Government Pabahay Program* refers to the program aimed at synchronizing and
14 coordinating efforts of all government housing agencies involved in assisting LGUs in their respective
15 socialized housing projects, in the context of Executive Order No. 143, series of 1993;

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

20 f) *Local Shelter Plan Guidelines* refers to a model for the preparation of local shelter plans, as
21 embodied in the National Urban Development and Housing Framework (NUDHF);

22 g) *NUDHF* refers to the comprehensive plan for urban and urbanizable areas aimed at achieving
23 the objectives set forth under the UDHA of 1992;

24 h) *People's Organization* refers to a *bona fide* association of citizens with demonstrated capacity,
25 to promote the public interest and with identifiable leadership, membership, and structure.

26 i) *Rural Areas* refer to those areas that are not urban areas as defined under this Act;

27 j) *Socialized Housing* refers to housing programs and projects covering houses and lots or
28 homelots undertaken by the Government or the private sector for the underprivileged and homeless

1 citizens which shall include sites and services development, long-term financing, liberalized terms on
2 interest payments, and such other benefits in accordance with the provisions of the UDHA;

3 k) *UDHA* refers to the Urban Development and Housing Act of 1992 or Republic Act No. 7279
4 (R.A. No. 7279);

5 l) *Underprivileged and Homeless Rural or Urban Poor Dwellers* refers to individuals or families
6 residing in rural or urban areas whose income or combined household income falls within the poverty
7 threshold as defined by the National Economic Development Authority and who do not own housing
8 facilities, and shall include those who live in makeshift dwelling units and do not enjoy security of land
9 tenure;

10 m) *Urban Areas* refer to all cities regardless of their population density and to municipalities with a
11 population density of at least five hundred (500) persons per square kilometer;

12 n) *Local Housing Boards* refer to all housing boards in cities and municipalities created under this
13 Act; and

14 o) *Local Housing Office* refers to the implementing body of the local housing boards.

15 **SEC. 4. Local Housing Boards; Creation; Composition.** – There shall be created a Local Housing
16 Board, hereinafter referred to as the Board, in all cities and first to third class municipalities as classified by
17 the Department of the Interior and Local Government (DILG): *Provided*, That fourth and fifth class
18 municipalities may create their own Local Housing Board if they so desire. The Board shall be composed of
19 the following:

20 a) The City/Municipal Mayor as Chairperson;

21 b) The Local Housing Officer, as defined in this Act, as Vice Chairperson;

22 c) The Chairperson of the Sangguniang Panglungsod/Bayan Committee on Housing and Urban
23 Development or its equivalent as Member;

24 d) The City/Municipal Planning and Development Coordinator as Member;

25 e) The City/Municipal Engineer as Member;

26 f) A representative of the housing agencies to be designated by the HUDCC as Member;

27 g) A representative from a private organization engaged in subdivision and housing development
28 operating in the city or municipality as Member;

1 h) A representative from POs operating in the city or municipality as Member: *Provided*, That a
2 PO already represented in any local special body may be concurrently represented in any Board; and

3 i) A representative from NGOs operating in the city or municipality as Member: *Provided*, That an
4 NGO already represented in any local special body may be concurrently represented in any Bboard.

5 Representatives to the Board from organizations mentioned in the last three paragraphs of this
6 section shall be selected through the same process as that of filling up the representatives of the local
7 special bodies.

8 **SEC. 5. Powers and Functions.** - Local Housing Boards shall have the following powers and
9 functions:

10 a) Formulate, develop, and recommend to the Sanggunian, policies, directives, rules and
11 regulations, consistent with laws, as it may deem necessary, on the provision of decent and affordable
12 housing and resettlement areas and on the observance of the right of the underprivileged and homeless to
13 just and humane evictions and demolitions;

14 b) Prepare, based on the Local Shelter Plan Guidelines of the NUDHF, and with the assistance of
15 the HUDCC and other concerned government agencies, a Local Shelter Plan which shall form part of the
16 city/municipal development plan: *Provided*, That such plan shall be consistent with the city/municipal land
17 use plan: *Provided further*, That public hearings shall be conducted for the purpose;

18 c) Approve preliminary and final subdivision schemes and development plans of subdivisions and
19 condominiums in accordance with the provisions of Presidential Decree No. 957, as amended, otherwise
20 known as the Subdivision and Condominium Buyers' Protective Decree, and its implementing standards,
21 rules and regulations concerning subdivisions and condominiums;

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

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

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

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

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

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

11 j) Recommend for approval of their respective LCEs, partnership arrangements with the national
12 government on the provision of decent and affordable shelter;

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

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

17 **SEC. 6. Local Housing Office; Creation; Functions.** – There shall be created a Local Housing Office
18 in all cities and municipalities which shall heretofore become a regular office under the local government
19 unit and serve as the implementing arm of the Board. The Urban Poor Affairs Office or its equivalent office
20 in cities or municipalities shall be converted into the Local Housing Office and in addition to its existing
21 functions, shall have the following additional functions:

22 a) Assist the Board in the preparation of the local shelter plan;

23 b) Assist the city/municipal development councils in the formulation of their respective
24 comprehensive land use plans;

25 c) Oversee and coordinate government activities relative to consultation, relocation, and
26 resettlement of underprivileged and homeless urban or rural poor dwellers in cases where evictions and
27 demolitions affecting them are necessary and allowed by existing laws;

28 d) Ensure that the balanced housing requirements as provided in Section 18 of R.A. 7279 and its
29 implementing rules and regulations are implemented and enforced;

1 e) In coordination with other offices within the LGU, monitor the nature and progress of land
2 development of projects that the Board has approved, as well as housing construction in the case of house
3 and lot packages, to ensure their faithfulness to the approved plans and specifications thereof, and impose
4 appropriate measures to enforce compliance therewith;

5 f) Conduct an inventory of all lands within their respective localities, and update the same every
6 three (3) years, in accordance with Section 7 of R.A. 7279 and guidelines issued for the purpose;

7 g) Identify the sites for socialized housing, subject to the requirements prescribed by Section 8 of
8 R.A. 7279 and guidelines issued for the purpose;

9 h) Ensure the registration of underprivileged and homeless urban or rural dwellers as socialized
10 housing beneficiaries under Sections 16 and 17 of R.A. 7279: *Provided*, That the Local Housing Office shall
11 assume the functions of city or municipal registration committees as constituted under the implementing
12 rules and regulations of the same sections;

13 i) Ensure the enforcement of laws, policies and programs on housing and shelter as provided for
14 under laws and such directives, rules and regulations adopted by the Board;

15 k) Assist in the organization of housing and shelter cooperatives, associations or organizations in
16 establishing linkages with government agencies and NGOs involved in the promotion and integration of the
17 concept of shelter development and generation, taking into account the livelihood of the people and other
18 community activities;

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

21 k) Coordinate with government agencies and instrumentalities performing functions which may
22 affect housing and urban development; and

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

24 **SEC. 7. Local Housing Officer.** – The Local Housing Office shall be headed by a Local Housing
25 Officer who shall be a career official. No person shall be appointed Local Housing Officer unless, he is a
26 citizen of the Philippines, a resident of the LGU concerned, of good moral character, a holder of a college
27 degree either in public administration, urban planning, civil engineering, economics, development studies or
28 such other related courses. He must have at least five (5) years experience in the case of cities, and three
29 (3) years experience in the case of municipalities, either in housing development projects, organization of

1 housing associations or cooperatives, management and operation of housing and shelter programs or such
2 other related activities.

3 **SEC. 8. *Generation and Mobilization of Resources.*** – The Board is hereby constituted as the
4 primary entity tasked to advise local development councils on matters of sourcing of funds for socialized
5 housing. For this purpose, the Board may recommend the following schemes for funding socialized
6 housing projects:

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

8 b) Bond flotation and other credit financing arrangements;

9 c) *Availment of foreign or local grants: Provided,* That local housing boards are hereby authorized
10 to receive foreign and local grants which shall be remitted to the local treasury, and shall be credited to the
11 socialized housing account of the local government unit concerned;

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

13 e) *Joint venture projects with private sector groups or developers and with NGOs and POs; and*

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

15 **SEC. 9. *Meetings and Quorum.*** – The Board shall have its meeting at least once a month or as
16 often as may be deemed necessary. The presence of the Chairperson or the Vice-Chairperson and a
17 majority of the members of the Board shall constitute a quorum. Special meetings may be called by the
18 Chairperson or by a majority of the members when situations so warrant. Decisions shall be reached by the
19 Board through a simple majority.

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

23 **SEC. 10. *Compensation and Remuneration.*** – Members of the Board who are not government
24 officials or employees shall be entitled to the necessary traveling expenses and allowances chargeable
25 against the funds of the local housing board concerned, subject to existing accounting and auditing rules
26 and regulations.

27 This does not preclude cities and municipalities from mobilizing other possible funding sources for
28 the compensation and remuneration of members of the Board who are not government officials or
29 employees.

1 **SEC. 11. *Special Housing Trust Fund.*** – Cities and municipalities may establish a special account
2 to be called the “Special Housing Trust Fund” to initially establish the local housing office and as source of
3 funds for the city's/municipality's housing programs for the underprivileged and homeless. Sources of said
4 trust fund shall come from, but not limited to, the following:

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

7 b) All funds/monies generated from various sources intended for housing and other related
8 development programs; and

9 c) All payments, remittances, accrued interests, penalties, and such other fees generated from
10 housing related activities.

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

13 a. The LGU shall:

14 1) Identify and prioritize areas for housing development;

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

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

18 4) Assist in the conduct of verification survey;

19 5) Monitor and oversee the implementation of the activities in accordance with their respective
20 work programs; and

21 6) Prepare the detailed work program for approved housing projects.

22 b. The HUDCC shall:

23 1) Recommend to the Board, options for the development of sites or disposition schemes to the
24 intended beneficiaries;

25 2) Process and recommend to the President, idle or underutilized government lands identified by
26 the Board as sites which are suitable for housing purposes;

27 3) Solicit assistance from other national government agencies whose functions and services are
28 necessary in the provision of housing and delivery of basic services;

1 4) Through the National Housing Authority, prepare the Master Development Plans of the areas
2 identified for housing;

3 5) Identify and recommend housing projects/programs which can be implemented and funded
4 through alternative schemes; and

5 6) Draw-up guidelines as well as Terms of Reference to cover the implementation of identified
6 priority housing projects.

7 c. The Presidential Commission for the Urban Poor (PCUP) shall:

8 1) Monitor all evictions and demolitions, whether extra-judicial or court-ordered, involving
9 homeless and underprivileged citizens;

10 2) Require the concerned departments and agencies, including concerned LGUs, proposing to
11 undertake demolition and eviction activities to secure first from either the PCUP Central Office, in the case
12 of national projects, or from the PCUP Regional Office concerned, in the case of regional or local projects,
13 the checklists, guidelines and compliance certificates on demolition and eviction prior to the actual
14 implementation thereof and thereafter, submit to the PCUP the completed checklist, attested to under oath
15 by the proponent that the provisions of Section 28 of R.A. 7279 or its implementing rules and regulations
16 have been complied with;

17 3) Based on the completed checklist and subject to further verification, issue demolition and
18 eviction compliance certificates to proposed demolitions and evictions involving homeless and
19 underprivileged citizens;

20 4) Investigate *motu proprio* or upon complaint by any party, any violation of the provisions of
21 Section 28 of R.A. 7279 and its implementing rules and regulations;

22 5) File *motu proprio* or by way of assistance to any aggrieved party, the appropriate criminal, civil
23 or administrative case against any person or persons found to have violated the provisions of Section 28 of
24 R.A. 7279 or its implementing rules and regulations; and

25 6) Such other functions as maybe provided for under Executive Order No. 152, series of 2002.

26 d. The PO and NGO representatives shall:

27 1) Assist in the holding of dialogues and consultations with affected families leading to their full
28 acceptance and support to the program;

1 2) Provide feedback mechanism to the Board and ensure urban poor participation in the decision-
2 making process;

3 3) Assist the Board in processing applications and documents;

4 4) Provide support to the Board in the community relations, social preparations and information
5 disseminations and motivation activities at the identified housing sites;

6 5) Actively participate in the drawing up of the development plan for the area; and

7 6) Identify pro-poor programs to uplift the socio-economic conditions of the affected urban poor
8 residents.

9 **SEC. 13. Penalties.** – Unjustified failure or refusal of a mayor to constitute the Board as created
10 and defined by this Act, shall subject the national and local government officials and employees responsible
11 for such omission, misrepresentation, fraud, or unjustified failure or refusal to:

12 a) disciplinary action under Book I, Title Two, Chapter 4 of the Local Government Code; and/or

13 b) prosecution under the penalty clause of the UDHA.

14 **SEC. 14. Transitory Provisions.** – Local chief executives of cities and first to third class
15 municipalities shall constitute their respective Boards within ninety (90) days from the promulgation of the
16 implementing rules and regulations of this Act. Failure to constitute the Board within this prescribed period
17 shall be *prima facie* evidence of unjustified failure or refusal to do so.

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

23 **SEC. 15. Implementing Rules and Regulations.** – Within sixty (60) days after the approval of this
24 Act, the HUDCC and the DILG, in consultation with the concerned government agencies, the private sector,
25 POs and NGOs, shall formulate the appropriate rules and regulations necessary to effectively implement
26 any or all of the provisions of this Act. Such rules and regulations shall include, among others, guidelines
27 on the following:

28 a) Resource generation and mobilization for socialized housing purposes;

29 b) Schemes for local government housing assistance; and

1 c) Accreditation and selection of representatives of the private sector, NGOs and POs to the local
2 housing board.

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

8 **SEC. 17. *Separability Clause.*** – If for any reason, any provision of this Act is declared invalid or
9 unconstitutional, the remaining provisions not affected thereby shall continue to be in force and effect.

10 **SEC. 18. *Effectivity Clause.*** – This Act shall take effect upon the completion of its publication in at
11 least two (2) newspapers of general circulation.

Approved,