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SENATE

Senate Bill No. 691

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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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 void 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.

  
JINGGOY EJERCITO ESTRADA  
Senator

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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:*

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

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

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

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

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

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

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

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

Toward these ends, the State shall provide for a more responsive and  
accountable local government structure instituted through a system of  
decentralization whereby LGUs, through the creation of local housing boards,

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

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

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

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

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

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

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

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

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

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

i) *Socialized Housing* refers to housing programs and projects covering houses and lots or homelots only undertaken by the Government or the private sector for the 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 the UDHA;

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

k) *Underprivileged and Homeless Rural or Urban Poor Dwellers* refer to individuals or families residing in rural or urban areas whose income or combined household income falls within the poverty threshold as defined by the National

Economic Development Authority and who do not own housing facilities, and shall include those who live in makeshift dwelling units and do not enjoy security of land tenure;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Ensure the prevention of proliferation of professional squatters and squatting syndicates within its jurisdiction;

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

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

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

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

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

**SEC. 7. Local Housing Officer.** - The local housing office shall be headed by a Local Housing Officer who shall be a career official. No person shall be appointed Local Housing Officer unless, he is a citizen of the Philippines, a

resident of the LGU concerned, of good moral character, a holder of a college degree either in public administration, urban planning, civil engineering, economics, development studies or such other related courses. He must have at least five (5) years experience in the case of cities, and three (3) years experience in the case of municipalities, either in housing development projects, organization of housing associations or cooperatives, management and operation of housing and shelter programs or such other related activities.

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

- a) Build-operate-transfer and other related schemes;
- b) Bond flotation and other credit financing arrangements;
- c) Availment of foreign or local grants: *Provided*, That local housing boards are hereby authorized to receive foreign and local grants which shall be remitted to the local treasury, and shall be credited to the socialized housing account of the local government unit concerned;
- d) Loan packages from government financing/lending institutions;
- e) Joint venture projects with private sector groups or developers and with NGOs and POs; and
- f) Pooling of resources between and among LGUs, the private sector, NGOs and POs.

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

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

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

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

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

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

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

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

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

a. The Local Government Unit shall:

- 1) Identify and prioritize areas for housing development;
- 2) Plan on the total housing need of its constituents;
- 3) Provide basic information relative to the areas that may be proposed for issuance of Presidential Proclamation;
- 4) Assist in the conduct of verification survey;
- 5) Monitor and oversee the implementation of the activities in accordance with their respective work programs; and
- 6) Prepare the detailed work program for approved housing projects.

b. Housing and Urban Development Coordinating Council shall:

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

c. The Presidential Commission, for the Urban Poor shall:

- 1) Monitor all evictions and demolitions, whether extra-judicial or court-ordered, involving homeless and underprivileged citizens;
- 2) Require the concerned departments and agencies, including concerned LGUs, proposing to undertake demolition and eviction activities to secure first from either the PCUP Central Office, in the case of national projects, or from the PCUP Regional Office concerned, in the case of regional or local projects, the checklists, guidelines and compliance certificates on demolition and eviction prior to the actual implementation thereof and thereafter, submit to the PCUP the completed checklist, attested to under oath by the proponent that the provisions of Section 28 of RA 7279 or its implementing rules and regulations have been complied with;
- 3) Based on the completed checklist and subject to further verification, issue demolition and eviction compliance certificates to proposed demolitions and evictions involving homeless and underprivileged citizens;



- 4) Investigate *motu proprio* or upon complaint by any party, any violation of the provisions of Section 28 of RA 7279 and its implementing rules and regulations;
- 5) File *motu proprio* or by way of assistance to any aggrieved party, the appropriate criminal, civil or administrative case against any person or persons found to have violated the provisions of Section 28 of RA 7279 or its implementing rules and regulations; and
- 6) Such other functions as provided for under Executive Order No. 152, series of 2002.

d. The PO and NGO representatives shall:

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

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

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

b) prosecution under the penalty clause of the UDHA.

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

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

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

a) Resource generation and mobilization for socialized housing purposes;

b) Schemes for local government housing assistance; and

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

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

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

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

*Approved,*