



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila



**TWENTIETH CONGRESS**  
First Regular Session

HOUSE BILL NO. 2278

---

Introduced by **Representative MA. VICTORIA CO-PILAR**

---

#### EXPLANATORY NOTE

Housing is a fundamental human right and a cornerstone of social justice, yet the reality in the Philippines remains far from this ideal. Despite the passage of Republic Act No. 7279, or the *Urban Development and Housing Act of 1992* (UDHA), and its amendatory law, RA No. 10884, millions of Filipino families – especially the urban poor and informal settler families – continue to lack access to secure, adequate, and affordable shelter. These laws laid the foundation for socialized housing policies in the country, including land acquisition mechanisms, balanced housing development requirements for private developers, and incentives to stimulate private sector participation. However, after decades of implementation, glaring gaps remain. These have contributed to the widening housing backlog, displacement of vulnerable communities, and inefficient use of land and public resources.

This proposed measure aims to create a more inclusive, efficient, and responsive housing framework. It reaffirms the State's constitutional duty to ensure that housing is accessible to all, particularly the homeless and underprivileged. It also aligns with the objectives of Sustainable Development Goal 11, which commits nations around the world to making cities and human settlements inclusive, safe, resilient, and sustainable.

In light of the urgent and growing housing crisis affecting millions of Filipinos, the passage of this bill is not only timely but imperative. It seeks to transform long-standing policies into working solutions, to empower local governments and communities, and to ensure that every Filipino has a decent and dignified place to call home.

Thus, the immediate approval of this measure is earnestly sought.



1 For the purpose of socialized housing, government-owned and foreclosed  
2 properties shall be acquired by the local government units, or by the  
3 [National Housing Authority primary] **DEPARTMENT OF HUMAN**  
4 **SETTLEMENTS AND URBAN DEVELOPMENT (DHSUD), ITS**  
5 **ATTACHED AGENCIES, AND OTHER HOUSING**  
6 **INSTRUMENTALITIES OF THE NATIONAL GOVERNMENT** primarily  
7 through negotiated purchase. **FORFEITED LANDS AND PROPERTIES**  
8 **ACQUIRED THROUGH DELINQUENCY OF REAL PROPERTY TAX**  
9 **PAYMENTS SHALL BE AUTOMATICALLY PRIORITIZED FOR**  
10 **SOCIALIZED HOUSING SITES UNLESS AUTHORIZED BY THE**  
11 **LOCAL SANGGUNIAN TO BE USED FOR OTHER PURPOSES IN**  
12 **ACCORDANCE WITH A ZONING ORDINANCE AS MANDATED BY**  
13 **THEIR RESPECTIVE COMPREHENSIVE LAND USE PLAN AND**  
14 **SHELTER PLAN: *Provided,* That qualified beneficiaries who are actual**  
15 **occupants of the land shall be given the right of first refusal.”**  
16

17 **SECTION 2.** Section 18 of Republic Act No. 7279, as amended by Republic Act No.  
18 10884, is hereby further amended to read as follows:

19  
20 **“SEC. 18. Balanced Housing Development.** – The Program shall include a  
21 system to be specified in the Framework plan whereby owners [**and/or**  
22 **developers of proposed [subdivision and condominium projects]**  
23 **HOUSING DEVELOPMENT PROJECTS** shall be required to develop an  
24 area for socialized housing equivalent to at least **fifteen percent (15%) of**  
25 **the [total subdivision area or total subdivision project cost] TOTAL**  
26 **PROJECT AREA OR COST FOR SUBDIVISIONS OR VILLAGES** and at  
27 least **five percent (5%) of condominium OR VERTICAL HOUSING** area  
28 or project cost, at the option of the developer, **ALL OF WHICH SHALL BE**  
29 **UNDERTAKEN IN THE PROJECT SITE OR WITHIN THE CITY, OR**  
30 **MUNICIPALITY WHERE THE DEVELOPMENT IS SITUATED,** in  
31 accordance with the standards as provided by law. [**: Provided,** That  
32 proposed socialized subdivision projects and proposed socialized  
33 condominium projects shall be exempt from this requirement.] For this  
34 purpose, the [**Housing and Urban Development Coordinating Council]**  
35 **DHSUD** and the National Economic and Development Authority, **WITH**

1 THE RECOMMENDATION OF THE LOCAL GOVERNMENT UNIT  
2 WHERE THE PROJECT IS LOCATED, shall jointly determine and set  
3 separate socialized housing price ceilings for socialized [**subdivision and**  
4 **socialized condominium**] HOUSING projects which shall be mandatorily  
5 reviewed or revised every [**two (2)**] **THREE (3)** years. The balanced-  
6 housing development as herein required may also be complied with by the  
7 owners [**and/or**] developers concerned in any of the following manner:  
8

9 (a) Development of socialized housing in a new settlement **WITH**  
10 **FOCUS ON THE FOLLOWING BENEFICIARIES: 1.**  
11 **INFORMAL SETTLER FAMILIES (ISFS) AS DEFINED BY**  
12 **REPUBLIC ACT NO. 11201; 2. UNDERPRIVILEGED AND**  
13 **HOMELESS CITIZENS, AS DEFINED BY REPUBLIC ACT NO.**  
14 **7279, AS AMENDED; and 3. THOSE WHO ARE LIVING IN**  
15 **AREAS WHICH WILL BE AFFECTED BY MAJOR**  
16 **INFRASTRUCTURE PROJECTS;**  
17

18 (b) Joint-venture projects for socialized housing with either the local  
19 government units or any of the housing agencies or with another  
20 private developer, or with a nongovernmental organization engaged  
21 in the provision of socialized housing and duly accredited by the  
22 [Housing and Land Use Regulatory Board] **DHSUD AND ITS**  
23 **ATTACHED AGENCIES**, but if the developer has failed to  
24 complete the development of the project, the owner [**and/or**]  
25 developer of the [**main subdivision or condominium**] project shall  
26 be solidarily liable only to the extent of compliance to the balanced-  
27 housing requirement regardless of the provisions of their joint-  
28 venture agreement; [**or**]  
29

30 (c) Participation in a new project under the community mortgage  
31 program **WITH FOCUS ON THE FOLLOWING**  
32 **BENEFICIARIES: 1. INFORMAL SETTLER FAMILIES (ISFS) AS**  
33 **DEFINED BY REPUBLIC ACT NO. 11201; 2. UNDERPRIVILEGED**  
34 **AND HOMELESS CITIZENS, AS DEFINED BY REPUBLIC ACT**  
35 **NO. 7279, AS AMENDED; and 3. THOSE WHO ARE LIVING IN**

1 AREAS WHICH WILL BE AFFECTED BY MAJOR  
2 INFRASTRUCTURE PROJECTS; [.] OR

3  
4 **(d) PAYMENT OF THE PROJECT COST EQUIVALENT TO AT**  
5 **LEAST TWENTY-FIVE PERCENT (25%) OF THE FIFTEEN**  
6 **PERCENT (15%) OF THE TOTAL SUBDIVISIONS OR**  
7 **VILLAGES PROJECT COST AND AT LEAST TWENTY-FIVE**  
8 **PERCENT (25%) OF THE FIVE PERCENT (5%) OF**  
9 **CONDOMINIUM OR VERTICAL HOUSING PROJECT COST**  
10 **TO THE CITY OR MUNICIPAL GOVERNMENT WHERE THE**  
11 **PROJECT IS LOCATED** shall be used exclusively by the concerned  
12 local government unit for its socialized housing programs and its  
13 components, including land development in socialized housing  
14 programs or projects, construction of housing or building  
15 components and improvements on socialized housing programs,  
16 rehabilitation of calamity-stricken communities, land acquisition for  
17 socialized housing programs and projects, improvement of existing  
18 open spaces in socialized housing programs and projects, and  
19 community facilities, learning centers and classrooms in socialized  
20 housing sites: **Provided**, That if the concerned local government unit  
21 where the project is located does not have any available land for the  
22 purpose, the compliance project shall be offered to a near-city or off-  
23 city local government unit: **Provided, further**, That in case the local  
24 government unit concerned has its own socialized housing program  
25 which requires to be complied with by the developer or owner of the  
26 subdivision or condominium project pursuant to its ordinances or  
27 resolutions, and the cost is higher than what is prescribed under the  
28 preceding paragraph, the developer shall be deemed to have  
29 complied with this Act and whatever excess incurred thereto can be  
30 credited to the concerned developer or owner for its future projects:  
31 **Provided, finally**, That the local government unit concerned shall  
32 liquidate the amount received to the DHSUD for proper auditing  
33 and accounting.

1 FOR THIS PURPOSE, THE CONCERNED LOCAL GOVERNMENT  
2 UNIT SHALL HAVE A TWO-YEAR EXCLUSIVE RIGHT TO UTILIZE  
3 THE AMOUNT PROVIDED BY THE DEVELOPERS FOR ITS OWN  
4 SOCIALIZED HOUSING PROGRAMS. THE LOCAL GOVERNMENT  
5 UNIT'S TWO-YEAR EXCLUSIVE RIGHT SHALL COMMENCE ONCE  
6 THE TRUST ACCOUNT HAS BEEN ESTABLISHED AND THE LOCAL  
7 GOVERNMENT UNIT HAS BEEN NOTIFIED OF THE  
8 ESTABLISHMENT OF THE ACCOUNT. IN THE EVENT OF NATURAL  
9 DISASTERS, CALAMITIES, CRISES, AND OTHER FORTUITOUS  
10 EVENTS THAT ARE BEYOND THE CONTROL OF THE CONCERNED  
11 LOCAL GOVERNMENT UNIT, THE TWO-YEAR EXCLUSIVE PERIOD  
12 SHALL BE EXTENDED TO COVER SUCH PERIOD OF  
13 CONTINGENCY. FAILURE OF THE CONCERNED LOCAL  
14 GOVERNMENT UNIT TO UTILIZE THE AMOUNT FOR ITS OWN  
15 SOCIALIZED HOUSING PROGRAMS WITHIN THE PRESCRIBED  
16 PERIOD SHALL RESULT IN FORFEITURE OF THE EXCLUSIVE  
17 RIGHT.

18  
19 ALL LOCAL GOVERNMENT UNITS THAT HAVE EXISTING  
20 HOUSING PROGRAMS AND ARE HOLDING ANY AMOUNT  
21 PROVIDED BY DEVELOPERS IN COMPLIANCE WITH SECTIONS 18  
22 AND 20 OF REPUBLIC ACT NO. 7279, AS AMENDED BY REPUBLIC  
23 ACT NO. 10884, PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL  
24 ALSO ENJOY THE FOREGOING TWO-YEAR EXCLUSIVE RIGHT.

25  
26 The [Housing and Land Use Regulatory Board] DHSUD is hereby  
27 mandated to submit to Congress an annual report on the compliance hereof  
28 by the owners [and/]or developers of [subdivision and condominium]  
29 HOUSING projects.

30  
31 Any person violating any provision of this section shall be imposed a fine  
32 of not less than [five hundred thousand pesos (P500,000.00)] ONE  
33 MILLION PESOS (P 1,000,000.00), for the first offense; suspension of  
34 license to do business for a period of [three (3) to six (6) months] SIX (6)  
35 MONTHS TO ONE (1) YEAR and a fine of not less than [five hundred  
36 thousand pesos (P 500,000.00)] ONE MILLION PESOS (P 1,000,000.00), for

1 the second offense; and cancellation of license to do business for the third  
2 offense **AND A FINE OF NOT LESS THAN FIVE MILLION PESOS (P**  
3 **5,000,000.00). ALL FINES AND PENALTIES SHALL BE UTILIZED FOR**  
4 **THE DEVELOPMENT OF LOCAL SOCIALIZED HOUSING**  
5 **PROGRAMS WHERE THE PROJECT IS LOCATED."**

6  
7 **SECTION 3.** Section 20 of Republic Act No. 7279, as amended by Republic Act No. 10884,  
8 is hereby further amended to read as follows:

9  
10 **"SEC. 20. Incentives for Private Sector Participating in Socialized**  
11 **Housing.** - To encourage greater private sector participation in socialized  
12 housing and further reduce the cost of housing units for the benefit of the  
13 underprivileged and homeless, the following incentives shall be extended  
14 to the private sector:

15  
16 **(a)** Reduction and simplification of qualification and accreditation  
17 requirements for participating private developers;

18  
19 **(b)** Creation of one-stop **SHOP** offices in the different regions,  
20 **PARTICULARLY IN HIGHLY URBANIZED CITIES**, of the country for  
21 the processing, approval and issuance of clearances, permits and licenses:  
22 *Provided, That* clearances, permits and licenses shall be issued within ninety  
23 (90) days from the date of submission of all requirements by the  
24 participating private developers.

25  
26 **IN GOVERNMENT-INITIATED SOCIALIZED HOUSING PROJECTS,**  
27 **ONCE THE DEVELOPER HAS BEEN ISSUED WITH A NOTICE TO**  
28 **PROCEED, THE LOCAL GOVERNMENT UNIT WHERE THE**  
29 **PROJECT IS LOCATED SHALL CAUSE THE ISSUANCE OF A**  
30 **BUILDING PERMIT. LIKewise, ONCE THE REQUIREMENTS OF**  
31 **THE PROJECT AND THE DEVELOPER HAS BEEN ISSUED WITH A**  
32 **CERTIFICATE OF ACCEPTANCE BY THE PROJECT PROPONENT,**  
33 **THE LOCAL GOVERNMENT UNIT SHALL CAUSE THE ISSUANCE**  
34 **OF A CERTIFICATE OF ACCEPTANCE.**

1 (c) Simplification of financing procedures **UPON WHICH THE DHSUD**  
2 **AND ITS ATTACHED AGENCIES TOGETHER WITH THE LOCAL**  
3 **GOVERNMENT UNITS MAY AGREE ON JOINT VENTURES;** and

4  
5 (d) Exemption from the payment of the following:

6 1. Project-related income taxes;

7  
8 2. Capital gains tax on **[raw] lands [used for the project] DULY**  
9 **DESIGNATED FOR SOCIALIZED HOUSING;**

10  
11 3. Value-added tax for the project contractor concerned;

12  
13 4. Transfer tax for **[both raw] completed projects WITH ISSUED**  
14 **CERTIFICATE OF ACCEPTANCE;**

15  
16 5. **DOCUMENTARY STAMP TAXES FOR ALL PROJECT-RELATED**  
17 **DOCUMENTS;** and

18  
19 ~~[(5)]~~ (6) Donor's tax for lands certified by the local government units to  
20 have been donated for socialized housing purposes.

21  
22 *Provided,* That a socialized-housing certification issued by the [Housing and  
23 Land Use Regulatory Board] **DHSUD AND ITS ATTACHED AGENCIES,**  
24 **OR A RESOLUTION BY THE SANGGUNIANG PANLUNGSOD OR**  
25 **SANGGUNIANG BAYAN THAT DESIGNATES OR DEEMS AN AREA**  
26 **AS A SOCIALIZED HOUSING PROJECT OR AREA,** shall be sufficient  
27 for the purpose of availment of tax exemption: **Provided, further,** That  
28 upon application for exemption, a lien on the title of the land shall be  
29 annotated by the Registry of Deeds: *Provided, furthermore,* That the  
30 socialized-housing development plan has already been approved by the  
31 appropriate government agencies concerned: *Provided, finally,* That all the  
32 savings realized by virtue of this provision shall accrue in favor of the  
33 beneficiaries subject to the implementing guidelines to be issued by the  
34 [Housing and Urban Development Coordinating Council] **DHSUD AND**  
35 **ITS ATTACHED AGENCIES."**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**SECTION 4.** Within ninety (90) days from the effectivity of this Act, the DHSUD shall promulgate a new set of implementing rules and regulations for the amended sections, consistent with the parameters and standards set forth in the said sections. Nongovernment organizations and people’s organizations involved in housing rights and urban-poor advocacy, as well as the private sector, shall be consulted in the process of drafting these implementing rules and regulations.

**SECTION 5.** The DHSUD shall submit an evaluation and accomplishment report to Congress every two (2) years after the effectivity of this Act.

**SECTION 6.** If any portion or provision of this Act is held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SECTION 7.** All laws, executive orders, proclamations, rules, regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

**SECTION 8.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

*Approved.*