

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



HOUSE OF REPRESENTATIVES

HOUSE BILL No. 2333

**Introduced by REPRESENTATIVES LANI MERCADO-REVILLA,
BRYAN B. REVILLA AND RAMON JOLO B. REVILLA III**

**AN ACT
IMPROVING THE DELIVERY OF SOCIALIZED HOUSING PROGRAMS,
AMENDING FOR THE PURPOSE SECTIONS 10, 18, AND 20 OF REPUBLIC ACT
NO. 7279, OTHERWISE KNOWN AS THE “URBAN DEVELOPMENT AND
HOUSING ACT OF 1992”, AS AMENDED BY REPUBLIC ACT NO. 10884,
OTHERWISE KNOWN AS THE “BALANCED HOUSING DEVELOPMENT
PROGRAM AMENDMENTS”**

EXPLANATORY NOTE

The Housing Industry Roadmap of the Philippines pegged the housing backlog at 3.9 million housing units as of 2012, with an estimated 832,000 homeless families. The Medium-Term Development Plan (MTPDP) 2011-2016, however, pegged the housing backlog at 5.6 million in 2016. For this reason, the DHSUD, under the leadership of Sec. Jose Rizalino Acuzar pegged its target production of socialized housing units at one million units per year for the entire six-year term of President Ferdinand Marcos, Jr., 2022-2028.

The housing backlog in the Philippines is a persistent issue, driven by factors such as rapid urbanization, population growth, poverty, and natural disasters. Whether its 3.9 million or 5.6 million or 6 million units of backlog in housing, the fact remains that this country faces a significant shortage of affordable housing, leading to the proliferation of informal settlements and substandard living conditions.

The Housing Industry Roadmap estimated that about 3.7 million units should be allocated for the relocation of informal settler families with about 500,000 of which number are ISFs in Metro Manila living in slums and danger areas. Urban poor living condition is characterized by informal substandard shelter utilized by multiple families thereby overcrowded spaces, and utterly lacking in the basic social services such as lack in source of clean water, lack in sanitary lavatory, sewage and septage systems, land use conflicts and such other supply shortages. It is prone to

fire and calamity hazards and situated in danger areas like waterways, canals, public spaces, or affected by government infrastructure projects.

The Presidential Commission for the Urban Poor (PCUP) has been advancing the approach of inclusive development of socialized housing units through the People's Plan, which is supported by the Socialized Housing and Finance Corporation through its Community Mortgage Program (CMP) and by the National Housing Authority (NHA) through its Community-Based Initiative Approach (CBIA). The premise is that a supply-driven shelter program that will be a convergence of the local governments and the national shelter agencies, together with the beneficiaries themselves would make the program responsive not only to the public fund allocated but also to the paying capacities of the intended beneficiaries. This will also ensure compliance with the requirement of the law in R.A. 7279 that there should be adequate provision of social services in our relocation sites.

The 1987 Philippine Constitution guarantees that "that the State will make available at affordable cost, decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas," and the Philippines has two main laws designed to address the housing problem – the Urban Development and Housing Act (UDHA) of 1992 and the Comprehensive Shelter Finance Act (CISFA) of 1994. Nevertheless, the inadequate housing conditions persist due to problems in poor production of shelter projects, poor conditions in relocation sites and poor delivery/participation of intended beneficiaries, attributed to lack of basic social services in the sites like no water source, no electricity, no public transportation and no jobs in the new community.

These practical considerations will have to be addressed in order that the government and the Filipino people will finally find success in the delivery of our people's basic right to decent shelter and living conditions.

This version of the house bill has been approved on third reading by this House in the 19th Congress and transmitted to the Senate. Thus, immediate passage of this measure is earnestly sought.



REP. LANI MERCADO - REVILLA, MSLG, DM (hc)

Representative

2nd District of Cavite



REP. BRYAN B. REVILLA

Representative

AGIMAT Partylist



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Representative

1st District of Cavite

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

SECTION 1. Section 10 of Republic Act No. 7279 is hereby amended to read
as follows:

“SEC. 10. Modes of Land Acquisition. – The modes of acquiring lands AND
CREATION OF SOCIALIZED HOUSING PROGRAMS AND PROJECTS for
purposes of this Act shall include, among others, community mortgage, land
swapping, land assembly or consolidation, land banking, donation to the
government, joint venture agreement, negotiated purchase, DIRECT PURCHASE,
UNSOLICITED PROPOSALS AS PROVIDED UNDER SECTION 10 OF REPUBLIC
ACT NO. 11966, OTHERWISE KNOWN AS THE “PUBLIC-PRIVATE PARTNERSHIP
(PPP) CODE OF THE PHILIPPINES”, and expropriation: Provided, however, That
expropriation shall be resorted to only when other modes of acquisition have been
exhausted: Provided, further, That where expropriation is resorted to, parcels of land
owned by small property owners shall be exempted for purposes of this Act:
Provided, Finally, That abandoned property, as herein defined, shall be reverted and

escheated to the State in a proceeding analogous to the procedure laid down in Rule 91 of the Rules of Court.

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

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

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

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

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

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

(c) Participation in a new project under the community mortgage program WITH FOCUS ON THE FOLLOWING BENEFICIARIES: 1. ISFs AS DEFINED BY REPUBLIC ACT NO. 11201; 2. UNDERPRIVILEGED AND HOMELESS CITIZENS, AS DEFINED BY REPUBLIC ACT NO. 7279, AS AMENDED; AND 3. THOSE WHO ARE LIVING IN AREAS WHICH WILL BE AFFECTED BY MAJOR INFRASTRUCTURE PROJECTS[.]; OR

(d) PAYMENT OF THE PROJECT COST EQUIVALENT TO AT LEAST TWENTY-FIVE PERCENT (25%) OF THE FIFTEEN PERCENT (15%) OF THE TOTAL SUBDIVISION OR VILLAGE PROJECT COST, AND AT LEAST

TWENTY-FIVE PERCENT (25%) OF THE FIVE PERCENT (5%) OF CONDOMINIUM OR VERTICAL HOUSING PROJECT COST TO THE CITY OR MUNICIPAL GOVERNMENT WHERE THE PROJECT IS LOCATED. THIS SHALL BE USED EXCLUSIVELY BY THE CONCERNED LGU FOR ITS SOCIALIZED HOUSING PROGRAMS AND ITS COMPONENTS, INCLUDING LAND DEVELOPMENT IN SOCIALIZED HOUSING PROGRAMS OR PROJECTS, CONSTRUCTION OF HOUSING OR BUILDING COMPONENTS, AND IMPROVEMENTS ON SOCIALIZED HOUSING PROGRAMS, REHABILITATION OF CALAMITY-STRICKEN COMMUNITIES, LAND ACQUISITION FOR SOCIALIZED HOUSING PROGRAMS AND PROJECTS, IMPROVEMENTS IN EXISTING OPEN SPACES IN SOCIALIZED HOUSING PROGRAMS AND PROJECTS, AND COMMUNITY FACILITIES, LEARNING CENTERS AND CLASSROOMS IN SOCIALIZED HOUSING SITES. PROVIDED, THAT IF THE CONCERNED LGU WHERE THE PROJECT IS LOCATED DOES NOT HAVE ANY AVAILABLE LAND FOR THE PURPOSE, THE COMPLIANCE PROJECT SHALL BE OFFERED TO A NEAR-CITY OR OFF-CITY LGU. PROVIDED, FURTHER, THAT IN CASE THE LGU CONCERNED HAS ITS OWN SOCIALIZED HOUSING PROGRAM WHICH REQUIRES TO BE COMPLIED WITH BY THE DEVELOPER OR OWNER OF THE SUBDIVISION OR CONDOMINIUM PROJECT, PURSUANT TO ITS ORDINANCES OR RESOLUTIONS, AND THE COST IS HIGHER THAN WHAT IS PRESCRIBED UNDER THE PRECEEDING PARAGRAPH, THE DEVELOPER SHALL BE DEEMED TO HAVE COMPLIED WITH THIS ACT AND WHATEVER EXCESS INCURRED THERETO CAN BE CREDITED TO THE CONCERNED DEVELOPER OR OWNER FOR ITS FUTURE PROJECTS. PROVIDED, FINALLY, THAT THE LGU CONCERNED SHALL LIQUIDATE THE AMOUNT RECEIVED TO THE DHSUD FOR PROPER AUDITING AND ACCOUNTING.

FOR THIS PURPOSE, THE CONCERNED LGU SHALL HAVE A TWO-YEAR EXCLUSIVE RIGHT TO UTILIZE THE AMOUNT PROVIDED BY THE DEVELOPERS FOR ITS OWN SOCIALIZED HOUSING PROGRAMS. THE LGU'S TWO-YEAR EXCLUSIVE RIGHT SHALL COMMENCE ONCE THE TRUST ACCOUNT HAS BEEN ESTABLISHED AND THE LGU HAS BEEN NOTIFIED OF

THE ESTABLISHMENT OF THE ACCOUNT. IN THE EVENT OF NATURAL DISASTERS, CALAMITIES, CRISES, AND OTHER FORTUITOUS EVENTS THAT ARE BEYOND THE CONTROL OF THE CONCERNED LGU, THE TWO-YEAR EXCLUSIVE PERIOD SHALL BE EXTENDED TO COVER SUCH PERIOD OF CONTINGENCY. FAILURE OF THE CONCERNED LGU TO UTILIZE THE AMOUNT FOR ITS OWN SOCIALIZED HOUSING PROGRAMS WITHIN THE PRESCRIBED PERIOD SHALL RESULT IN FORFEITURE OF THE EXCLUSIVE RIGHT.

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

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

Any person violating any provision of this section shall be imposed a fine of not less than [five hundred thousand pesos (P500,000.00)] ONE MILLION PESOS (P 1,000,000.00), for the first offense; suspension of license to do business for a period of [three (3) to six (6) months] SIX (6) MONTHS TO ONE (1) YEAR and a fine of not less than [five hundred thousand pesos (P 500,000.00)] ONE MILLION PESOS (P 1,000,000.00), for the second offense; and cancellation of license to do business for the third offense AND A FINE OF NOT LESS THAN FIVE MILLION PESOS (P 5,000,000.00). ALL FINES AND PENALTIES SHALL BE UTILIZED FOR THE DEVELOPMENT OF LOCAL SOCIALIZED HOUSING PROGRAMS WHERE THE PROJECT IS LOCATED.”

SEC. 3. Section 20 of Republic Act No. 7279, as amended by Republic Act No. 10884, is hereby further amended to read as follows:

“SEC. 20. Incentives for Private Sector Participating in Socialized Housing. – To encourage greater private sector participation in socialized housing and further

reduce the cost of housing units for the benefit of the underprivileged and homeless, the following incentives shall be extended to the private sector:

(a) Reduction and simplification of qualification and accreditation requirements for participating private developers;

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

IN GOVERNMENT-INITIATED SOCIALIZED HOUSING PROJECTS, ONCE THE DEVELOPER HAS BEEN ISSUED WITH A NOTICE TO PROCEED, THE LGU WHERE THE PROJECT IS LOCATED SHALL CAUSE THE ISSUANCE OF A BUILDING PERMIT. LIKEWISE, ONCE THE REQUIREMENTS OF THE PROJECT AND THE DEVELOPER HAS BEEN ISSUED WITH A CERTIFICATE OF ACCEPTANCE BY THE PROJECT PROPONENT, THE LGU SHALL CAUSE THE ISSUANCE OF A CERTIFICATE OF ACCEPTANCE.

(c) Simplification of financing procedures UPON WHICH THE DHSUD AND ITS ATTACHED AGENCIES TOGETHER WITH THE LGU MAY AGREE ON JOINT VENTURES; and

(d) Exemption from the payment of the following:

(1) Project-related income taxes;

(2) Capital gains tax on [raw] lands [used for the project] DULY DESIGNATED FOR SOCIALIZED HOUSING;

(3) Value-added tax for the project contractor concerned;

(4) Transfer tax for [both raw] completed projects WITH ISSUED CERTIFICATE OF ACCEPTANCE; [and]

(5) DOCUMENTARY STAMP TAXES FOR ALL PROJECT-RELATED DOCUMENTS; AND

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

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

SEC. 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.

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

SEC. 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.

SEC. 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.

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

Approved,