

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

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **3933**



Introduced by Rep. BERNADETTE HERRERA-DY

EXPLANATORY NOTE

It is the policy of the state to provide intervention for affordable housing program for the public, especially for the poor, marginalized and homeless Filipinos. No less than the 1987 Philippine Constitution, under Section 9, Article XIII provides: "The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas,"

With the housing trends in the metropolitan and urban areas in the country, most housing developers choose, nowadays, vertical housing projects such as condominium projects to answer for the scarcity and lack of available lots suitable for housing projects. Past housing programs have enabled non-poor households to have access to the formal housing markets. However, socialized housing is still inaccessible to the poor, especially those in urban areas. The bottom 40 percent of urban households had to resort to informal housing or informal settlements characterized by congestion and very poor living conditions. In fact, under Chapter 4 of the Medium-Term Philippine Development Plan (MTPDP) for the year 2004-2010 on Housing Construction, one of the key challenges set forth therein is expanding private sector participation in socialized housing financing and construction, and with the thrust of the government to shift towards a market-oriented housing finance system, a level playing field for both public and private housing programs will be ensured.

Demand for housing continues to grow as the Philippine population continues to grow rapidly. Government resources are, however, limited and most public programs tend to produce complete shelter packages largely affordable to the poor. Annual population growth is estimated at 2.36 percent while urbanization rate is 52 percent. For the period 2005-2010 according to the NEDA, the housing need is projected to be 3.75 million units. In terms of geographical location, more than half of the total housing needs (56%) is in Southern Tagalog, the Metropolitan Manila and Central Luzon, 2.1 percent in the Visayas and the remaining 23 percent in Mindanao (Chapter 4 - Housing Construction MTPDP 2004-2010). With the vertical housing development trend nowadays plus the bigger percentage of housing needs in the urban areas, the share and participation of the private sector in socialized housing has to be reassessed and restructured to include vertical housing developments, such as condominium projects, to help mitigate, if not eradicate this backlog of housing needs in the country.

This proposed measure amends the Republic Act 4276 entitled, "The Condominium Act" by requiring developers of proposed condominium projects to develop an area for socialized housing which is equivalent to twenty-percent (20%) of the total project area or total condominium project cost, at the option of the developer. The area for such socialized housing component shall be done within the same city or municipality, whenever feasible, and in accordance with the standards set by the Housing and Land Use Regulatory Board (HLURB) and other existing laws.

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



BERNADETTE HERRERA-DY

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13 **AN ACT REQUIRING DEVELOPERS OF PROPOSED**
14 **CONDOMINIUM PROJECTS TO DEVELOP AN AREA FOR**
15 **SOCIALIZED HOUSING, AMENDING FOR THE PURPOSE**
16 **REPUBLIC ACT NO. 4726 ENTITLED "THE CONDOMINIUM ACT"**
17

18 *Be it enacted by the Senate and the House of Representatives of the*
19 *Philippines in joint session:*

20 **Section 1. Short Title** - This act shall be known as the "*Socialized*
21 *Housing for Condominium Act of 2016*"

22 **Section 2.** The following new sections to be designated as sections
23 26 and 27 of Republic Act 4726, are hereby inserted to read as follows:

24 "Sec. 26. Developers of proposed condominium projects shall be
25 required to develop an area for socialized housing equivalent to at
26 least twenty percent (20%) of the total project area or total
27 condominium project cost, at the option of the developer
28 within the same city or municipality, whenever feasible, and in
29 accordance with the standards set by the Housing and Land Use
30 Regulatory Board and other existing laws. The requirement
31 herein may also be complied with in any of the following manner:

- 32 (a) Development of new settlement;
33 (b) Slum upgrading or renewal of areas for priority
34 development either through zonal improvement programs
35 or slum improvement and resettlement programs;
36 (c) Joint-venture projects with either the local government units
37 or any of the housing agencies; or
38 (d) Participation in the community mortgage program.
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1 For purposes of this Act, "socialized housing" shall have the
2 same meaning as that stated in Section of Republic Act Bo.
3 7270 entitled "Urban Development and Housing Act of
4 1992." Similarly, the provisions of said Act on Socialized
5 Housing, in so far as they are applicable to carry out the
6 provisions of this section, shall apply to condominium
7 developers."

8
9 "Sec. 27. Any person who violates the foregoing
10 provision shall be imposed a penalty of not more than six
11 (6) years of imprisonment or a fine of not less than Five
12 Hundred Thousand Pesos (P500,000.00) but not more than
13 Ten Million Pesos (P10,000,000.00 or both, at the discretion
14 of the court for the first offense and cancellation of license to do
15 business for the second offense: *Provided*, that, if the offender
16 is a corporation, partnership, association or juridical entity,
17 the penalty shall be imposed on the officer or officers of said
18 corporation, partnership, association or juridical entity
19 who caused the violation."

20
21 **Section 3.** Section 26 and 27 of RA 4726 of 4726, are hereby amended
22 and renumbered to read as Section 28 and 29, respectively.

23 **Section 4. Separability Clause.** If any part, section or provision of
24 this Act shall be held invalid or unconstitutional, the validity of the
25 remaining provisions thereof shall be in full force and effect.

26 **Section 5. Repealing Clause.** Any presidential decree or issuance, executive
27 order, rules or regulation contrary to or consistent with the provisions of this Act is
28 hereby repealed, modified, or amended accordingly.

29 **Section 6. Effectivity.** This Act shall take effect fifteen (15) days after
30 publication in the Official Gazette or in at least two newspapers of general
31 circulation,

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33 *Approved,*
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