



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH (18th) CONGRESS
First Regular Session

HOUSE BILL NO. 711

Introduced by REP. JOSE CHRISTOPHER Y. BELMONTE

EXPLANATORY NOTE

Initially filed in the 16th Congress, House Bill No. 6342, entitled “*An Act Strengthening the Right of Government to Expropriate Lands for Socialized Housing, Amending for the Purpose Sections 9, 10, and 11 of Republic Act No. 7279, Otherwise Known as the ‘Urban Development and Housing Act of 1992’*” was authored by this Representation, Rep. Ibarra Gutierrez III, and Rep. Walden Bello. The 16th Congress passed the measure on its 3rd Reading.

In the 17th Congress, House Bill No. 228 entitled “*An Act Prescribing the Mechanisms to Facilitate the Disposition of Idle Government-owned Lands for Socialized Housing*” was filed by Rep. Eric Singson. The 17th Congress also passed the measure on 3rd Reading and transmitted such the Senate for appropriate action.

The bill reflects the spirit of Section 9, Article XIII (Social Justice and Human Rights) of the 1987 Constitution which provides that:

“The State shall, by law, and for the common good, undertake, in cooperation with the public 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 resettlements areas.”

Our Government has yet to bring this constitutional mandate to maturity by addressing the country’s growing housing need of 6.8 million units (for the period of 2017 to 2022).¹ In light of this, housing production needs to keep pace with the growing demands of urbanization and development. Further, majority of informal settler families still cannot enjoy the benefits of the provisions of Republic Act No. 7279 even after more than two decades after its enactment.

¹ National Economic and Development Authority (NEDA). 2017. Philippine Development Plan 2017-2022. Pasig City: NEDA.

One solution to housing informal settlers is the mapping of the government's idle land assets for their potential use in socialized and low-cost housing. Maximizing our public domains will not only remove informal settlement from danger areas, it will also stimulate the local economy within the areas enclosing idle government-owned lands. This bill aims to dispose of idle government-owned and -controlled lands for the benefit of housing informal settlers in both urban and rural areas.

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

A handwritten signature in cursive script, appearing to read "J. Capalant". The signature is written in dark ink and is positioned in the upper right quadrant of the page.



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AN ACT
PRESCRIBING THE MECHANISMS TO FACILITATE THE DISPOSITION
OF IDLE GOVERNMENT-OWNED LANDS FOR SOCIALIZED HOUSING

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “*Idle Government-*
2 *owned Lands Disposition Act*”.

3 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 ensure the availability of sufficient lands for socialized housing purposes and improve
5 the capability of local government units (LGUs) in undertaking housing and urban
6 development programs and projects.

7 SEC. 3. *Inventory of Lands.* – To carry out the provisions of this Act, an
8 inventory of all idle government-owned lands shall be conducted within one (1) year
9 from the effectivity of this Act. The Department of Human Settlements and Urban
10 Development (DHSUD), in coordination with its appropriate attached corporations
11 and with the Department of Environment and Natural Resources (DENR) through the
12 Land Management Bureau (LMB), shall conduct an inventory of all lands owned by
13 the national government or any of its subdivisions, instrumentalities or agencies,
14 including government-owned or -controlled corporations (GOCCs) and their
15 subsidiaries which have not been used for the purpose for which they have been
16 reserved for the past ten (10) years.

The Department of the Interior and Local Government (DILG) through the LGUs shall conduct an inventory of all local government-owned lands within their respective localities which have remained idle. For monitoring purposes, the DILG shall furnish the DHSUD a copy of its inventory.

The inventories stated in the preceding paragraphs shall be updated every three (3) years.

SEC. 4. *Identification and Setting Aside of Lands for Socialized Housing.* – After the conduct of the inventory:

(a) All LGUs are hereby directed to identify and set aside idle local government-owned lands which are suitable for socialized housing: *Provided*, That the Human Settlements Adjudication Commission shall provide technical assistance to the LGUs in the identification thereof and their eventual setting aside for and disposition as socialized housing sites: *Provided, further*, That identified lands for socialized housing shall be integrated in the Comprehensive Land Use Plan of LGUs; and

(b) The National Housing Authority (NHA), in coordination with the LMB, is likewise directed to identify idle lands owned by the national government or any of its subdivisions, instrumentalities or agencies, including GOCCs and their subsidiaries, which have not been used for the purpose for which they have been reserved for the past ten (10) years to be set aside for socialized housing: *Provided*, That such lands have been declared open for disposition whether through an act of Congress or other related laws.

Except for local government-owned lands, all lands owned by the national government or any of its subdivisions, instrumentalities or agencies, including GOCCs and their subsidiaries identified for socialized housing, shall immediately be transferred to the NHA to be set aside for the purpose subject to the approval of the President of the Philippines: *Provided*, That lands comprising the acquired assets of GOCCs and government financial institutions (GFIs) engaged in shelter financing that are taken possession of in their ordinary conduct of business and lands they hold in trust for and on behalf of their members are not covered under this Act.

SEC. 5. *Sale, Alienation or Encumbrance of Other Government-owned Lands Not Set Aside for Socialized Housing.* – Whenever a government-owned land not set aside for socialized housing, whether owned by the LGUs or the national government or any of its subdivisions, instrumentalities or agencies, including GOCCs and their subsidiaries, is sold, alienated or otherwise encumbered in favor of private individuals

or entities for its development into industrial, commercial or other similar estates, there shall be set aside, as may be necessary, at least ten percent (10%) of the proceeds thereof for the development of socialized housing projects within, adjacent to the affected areas or in nearby areas within the city or municipality in accordance with the local development land use plan: *Provided*, That lands compromising the acquired assets of GOCCs and GFIs engaged in shelter financing that are taken possession of in their ordinary conduct of business and lands they hold in trust for and on behalf of their members are not covered under this Act: *Provided, further*, That low-salaried employees of the government agency that sold, alienated or otherwise encumbered such idle land shall be given first priority as beneficiaries of the socialized housing projects to be developed.

SEC. 6. *Conveyance of Segregated Land or Fund.* – For land owned by the national government or any of its subdivisions, instrumentalities or agencies, including GOCCs and their subsidiaries, the segregated land or fund shall be conveyed at no cost to the NHA which shall be directly responsible for the development of socialized housing projects: *Provided, however*, That for a land owned by an LGU, the segregated land or fund shall be retained by the concerned LGU to be utilized exclusively for its socialized housing projects.

SEC. 7. *Implementation of Socialized Housing Projects.* – For purposes of implementing socialized housing projects on lands set aside for socialized housing and utilizing the funds set aside from the sale, alienation and encumbrance of other lands not set aside for socialized housing, the concerned LGU and the NHA shall develop or cause the development of projects pursuant to Sections 4, 5 and 6 of this Act.

Toward this end, the NHA and the concerned LGU are hereby authorized to enter into joint venture agreements or other similar agreements with private developers or nongovernmental organizations (NGOs) engaged in housing production: *Provided*, That the cost of housing unit, if constructed within the affected area or locality pursuant to Section 5 hereof, shall exclude the cost of land.

In all cases, the NHA and the concerned LGU shall coordinate with each other in the development of socialized housing projects in the areas described in Section 5 of this Act.

SEC. 8. *Incentives for Private Developers and NGOs.* – To encourage private sector and NGO participation in socialized housing projects described in Section 7 hereof, the incentives provided in Section 20 of Republic Act No. 7279, otherwise

85 known as the “Urban Development and Housing Act of 1992”, on Incentives for
86 Private Sector Participating in Socialized Housing, shall apply.

87 SEC. 9. *Implementing Rules and Regulations.* – Within six (6) months after the
88 effectivity of this Act, the DHSUD and the DENR are hereby directed to promulgate
89 the necessary rules and regulations, including the mechanisms and procedures on the
90 conduct of inventory and identification of lands suitable for socialized housing, to
91 effectively implement the provisions of this Act. In drafting the implementing rules
92 and regulations, the National Urban Development and Housing Framework described
93 in Republic Act No. 7279 shall be taken into consideration.

94 SEC. 10. *Separability Clause.* – If any part or provision of this Act is declared
95 invalid for any reason, the remainder of this Act not affected thereby shall remain
96 valid and effective.

97 SEC. 11. *Repealing Clause.* – All laws, decrees, executive orders, letters of
98 instruction, rules and regulations or parts thereof inconsistent with any of the
99 provisions of this Act are hereby repealed, modified, superseded or amended
100 accordingly.

101 SEC. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its
102 publication in the *Official Gazette* or in a newspaper of general circulation.

103 *Approved,*