

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

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **4124**



Introduced by Representative Ron P. Salo

EXPLANATORY NOTE

In 2014, it was reported that Metro Manila had the record of largest homeless population of any city in the world, with 3.1 million people who are homeless. Throughout the Philippines, it is estimated that 1.2 million children live on the streets, and 70,000 of these are in Metro Manila (Homelessness Statistics Website, 2014; International Business Times, 2014). Huge numbers of families live as informal settlers in various types of unauthorized housing units with no tenure, in abject and dehumanizing conditions. Data gathered by the Housing and Urban Development Coordinating Council (HUDCC) shows that there were about 2.2 million informal settler families as of 2015.

This alarming increase in the number of homeless people in the country, if not addressed, will hamper the country's continuing economic growth and development. It also poses serious threats on peoples' security and well-being. Informal settlements, or slum areas, are often overcrowded and lack standard basic services such as electricity, water, drainage and health services. These settlements are also usually located in high-risk areas such as railroad tracks, under bridges, beside dumpsites, flood-prone embankments, and waterways.

The right to adequate housing is a basic human right recognized by international covenants. The 1948 Universal Declaration of Human Rights and the 1966 International Covenant on Economic, Social and Cultural Rights enshrine housing as a part of the right to an adequate standard of living. The United Nations Committee on Economic, Social and Cultural Rights has underscored that the right to adequate housing should be seen as the right to live somewhere in security, peace and dignity.

Consistent with these international obligations, the 1987 Philippine Constitution stresses the State obligation to provide affordable housing program to the people. Article XIII Section 9 states:

"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. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners"

Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992, is the key legislation which addresses the right to housing of the homeless and underprivileged Filipino. However, a key issue that was raised since its implementation is that housing projects, or resettlement sites for informal settlers, are located in distant areas with no adequate provision for basic services such as water and electricity. More importantly, people have no access to livelihood opportunities; hence, they are oftentimes compelled to go back to informal settlements in urban areas where they at least had a source of income, such as in the dumpsites where they can scavenge scraps.

In addition, it has been noted that more than two decades after the passage of Republic Act No. No. 7279, housing is still one of the key dilemmas in the country. The HUDCC estimated that the total housing from 2011 to 2016 backlog could reach 5.7 million. The urgency of the housing problem has been underscored by Vice President and HUDCC Chairperson Leni Robredo, who urged both the government and the private sector to work hand in hand in finding a solution to the problem.

"The problem we are faced with is urgent, huge, and difficult. The housing crisis is a ticking time bomb," she said.

This bill seeks to establish an on-site, in-city, near-city resettlement program, and mandating the provision of basic services and livelihood component to resettlement areas. It aims to improve the quality of life and to fully integrate the informal settler families (ISFs) into a city's or an urban area's physical, socioeconomic, and urban governance system, where opportunities are available for their betterment.

In view of the forgoing, the immediate passage of this bill is earnestly sought.


Ron P. Salo
KABAYAN PARTY-LIST

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INTRODUCED BY REPRESENTATIVE RON P. SALO

AN ACT
PROVIDING FOR A COMPREHENSIVE HOUSING PROGRAM FOR HOMELESS
AND INFORMAL SETTLER FAMILIES, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 7279, AS AMENDED, OTHERWISE KNOWN AS THE
"URBAN DEVELOPMENT AND HOUSING ACT OF 1992", PROVIDING
APPROPRIATIONS THEREFOR, AND FOR OTHER PURPOSES

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

ARTICLE I
GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known as the "Comprehensive Housing
Program for Homeless and Informal Settler Families Act".

SEC 2. Declaration of State Policy. – It is hereby declared the policy of the State to
provide affordable housing program to its citizens. It affirms its obligation to uplift the
conditions of the underprivileged and homeless citizens by making available to them
affordable, decent housing that include provision for basic services, in a manner that
upholds their dignity as human beings, and that ensures access to adequate
employment and/or livelihood opportunities.

The State shall endeavor to minimize the displacement of families living in urban
areas as informal settlers, by undertaking, whenever possible, on-site development
of informal settlements, including facilitating their acquisition of legal ownership or
other contractual arrangements guaranteeing security of tenure over socialized
housing units, in the land which they already occupy.

Whenever on-site development is not possible, the State shall exert efforts to ensure
that informal settler families are resettled within the municipality or city where they
are currently occupying, near the livelihood activities in which they are currently
engaged. It is hereby declared the policy of the State to prioritize on-site
development, and undertake, only as a last resort, resettlement outside the
municipalities or cities currently being occupied by informal settler families, and

provided that the resettlement sites are near the current city or municipality they are occupying.

It is further declared a policy of the State to ensure that all affected families and landowners are consulted before undertaking development and resettlement plans, and that all instances of relocation are undertaken in a humane manner, avoiding as much as possible forced eviction and demolition except in the instances and under the conditions provided by this Act.

SEC. 3. Definition of Terms. – For Purposes of this Act, the following terms shall be defined as follows:

a) Informal settlements refers to:

- i. Residential areas where housing units have been constructed by settlers on land which they occupy illegally; or
- ii. Unplanned settlements and areas where housing is not in compliance with existing planning and building regulations;

b) Informal settler families collectively referred to as ISFs, refers to families living in informal settlements;

c) On-site development refers to the process of upgrading and rehabilitation of informal settlements, with a view to minimizing displacement of dwellers in said areas, and with provision for basic services and access to employment/livelihood opportunities;

d) In-city resettlement refers to a relocation site within the jurisdiction of the city where the affected ISFs are living;

e) Near-city resettlement refers to a relocation site in a city other than the city of the affected informal settlements. Provided, however, that the relocation site is adjacent to the city where the affected ISFs have their settlements;

f) Blighted lands refers to the areas where the structures are dilapidated, obsolete and unsanitary, tending to depreciate the value of the land and prevent normal development and use of the area.

g) Civil Society Organizations or CSOs refers to nongovernmental organizations (NGOs), people's organizations (POs), cooperatives, trade unions, professional associations, faith-based organizations, media groups, indigenous peoples movements, foundations and other citizen's groups formed primarily for social and economic development to plan and monitor government programs and projects, engage in policy discussions, and actively participate in collaborative activities with the government;

h) Idle lands refers to non-agricultural lands in urban and urbanized areas on which no improvements have been made by the owner, as certified by the city, municipal or provincial assessor;

- i) **Security of tenure** refers to the degree of protection afforded to qualified beneficiaries against infringement or unjust reasonable and arbitrary eviction or disposition, by virtue of the right of ownership, usufruct, lease agreement, and other contractual arrangements;
- j) **Socialized housing** refers to housing programs and projects covering houses and lots or home lots 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 this Act;
- k) **Small property owners** refers to those whose only real property consists of residential lands not exceeding three hundred square meters (300 sq.m.) in highly urbanized cities and eight hundred square meters (800 sq.m.) in other urban areas;
- l) **Underprivileged and homeless citizens** refers to individuals or families who: (i) have a combined household income that falls within the poverty threshold as defined by the National Economic and Development Authority; and (ii) do not own any housing units. This shall include individuals or families who are currently occupying makeshift dwellings in public or private lands which they do not own, or over which they do not have security of tenure.
- m) **Unregistered or abandoned lands** refers to lands in urban and urbanizable areas which are not registered with the Register of Deeds, or with the city or municipal assessor's office concerned, or which are uninhabited by the owner and have not been developed or devoted for any useful purpose, or appears unutilized for a period of three (3) consecutive years immediately prior to the issuance and receipt of publication of notice of acquisition by the Government as provided under this Act. It does not include land which has been abandoned by reason of force majeure or any other fortuitous event: Provided, that prior to such event, such land was previously used for some useful or economic purpose;
- n) **Urban areas** refers to all cities regardless of their population density and to municipalities with a population density of at least five hundred (500) persons per square kilometers;
- o) **Urbanizable areas** refers to sites and lands which, considering present characteristics and prevailing conditions, display marked and great potential of becoming urban areas within the period of five (5) years; and
- p) **Usufruct** refers to the legal right to use and enjoy land or any property belonging to another. Usufructuary arrangements under this Act shall be formulated by the local government units concerned or the National Housing Authority, as the case may be, with the suppletory application of the provisions of the new Civil Code on usufruct.

SEC. 4. On-Site Development, In-City or Near-City Resettlement. – Rehabilitation and development of informal settlements shall be undertaken whenever possible, based on the feasibility for on-site development of the lands being occupied, as identified in Section 9 of this Act. On-site development shall be implemented in order to ensure minimum resettlement or movement of informal settler families (ISFs) from their existing places of occupancy.

Where ISFs are living in government lands which is not anymore to be used for any purpose, on-site development is necessary. If the ISFs are living in private lands, the National Housing Authority (NHA) or the local government units (LGU) shall negotiate with the private landowners to acquire the lands for the ISFs, and where feasible, implement on-site development.

In cases where on-site development cannot be undertaken, such as those enumerated in Section 36 of this Act, in-city resettlement of the ISFs from their existing places of occupancy shall be undertaken after compliance with the procedures laid down in the same section of this Act.

Should in-city resettlement not be feasible, near-city resettlement shall be considered. This shall only be resorted to when resettlement within the area cannot be undertaken, such as when there is no available land within the city, or when directly requested by the affected ISFs themselves.

SEC. 5. Immediate Resettlement of People Living in Dangerous Areas. – Within two (2) years from the effectivity of this act, the LGUs, in coordination with the NHA, shall immediately implement and provide in-city relocation and resettlement of people within their jurisdictions who are living in dangerous areas such as 'esteros', railroad tracks, garbage dumps, riverbanks, shorelines, waterways, and in other public places such as sidewalks, roads, parks, and playgrounds.

SEC. 6. Minimum Requirements for On-Site Development, In-City or Near-City Resettlement Sites. – In undertaking on-site development, in-city, or near-city resettlement, the LGU, in coordination with the NHA, shall ensure the availability of the following basic services and facilities:

- a) Potable water;
- b) Power and electricity and an adequate power distribution system;
- c) Sewerage facilities and an efficient and adequate solid waste disposal system; and
- d) Access to primary roads and transportation facilities.

The provision of other basic services and facilities such as health, education, communications, security, recreation, relief and welfare shall be planned and shall be given priority for implementation by the LGU and concerned government agencies in cooperation with the private sector and the ISF-beneficiaries themselves.

For near-city resettlements, the LGU where the ISFs originated, that is, the LGU implementing the resettlement plan, in cooperation with the concerned national government agencies providing basic services, shall provide the basic services and facilities mentioned in the immediately preceding paragraph, to the recipient LGU where the relocation or resettlement site is located, through a memorandum of agreement.

The LGU concerned, in coordination with the concerned government agencies, shall ensure that these basic services are provided at the most cost efficient rates, and shall set a mechanism to coordinate operationally the thrusts, objectives and activities of other government agencies concerned with providing basic services to housing projects.

SEC. 7. Livelihood Component. – To the extent possible, resettlement sites shall be located near areas where employment opportunities are accessible. The government agencies tasked with the development of livelihood programs and grant of livelihood loans shall give priority to the ISFs.

ARTICLE II INVENTORY, IDENTIFICATION AND DISPOSITION OF LANDS

SEC. 8. Inventory of Lands. – Within one (1) year from the effectivity of this Act, all city and municipal governments shall conduct an inventory of all lands and improvements thereon within their respective localities. The inventory shall include the following:

- a) Residential lands;
- b) Government-owned lands, whether owned by the National Government or any of its subdivisions, instrumentalities, or agencies, including government-owned or-controlled corporations and their subsidiaries;
- c) Unregistered or abandoned and idle lands; and
- d) Other lands.

In conducting the inventory, the LGU concerned, in coordination with the Housing and Land Use Regulatory Board (HLURB) and with the assistance of other concerned government agencies, shall indicate the type of land use and the degree of land utilization, and other data or information necessary to carry out the purposes of this Act.

For planning purposes, the Housing and Urban Development Coordinating Council (HUDCC) shall be furnished by each LGU a copy of its inventory which shall be updated every three (3) years.

SEC. 9. Identification of Sites for On-site Development, In-City, or Near-City Resettlement. – After the inventory, the LGUs, in coordination with the NHA, the HLURB, the National Mapping Resource Information Authority, and the Land Management Bureau, shall identify lands for on-site development, in-city or near-city resettlement areas, for the immediate and future needs of the underprivileged and homeless in the urban areas, taking into consideration the degree of availability of

basic services and facilities, the accessibility and proximity of job sites and other economic opportunities, and the actual number of registered beneficiaries, as well as other technical feasibility issues such as proximity to earthquake and flood-prone areas.

Government-owned lands under paragraph (b) of Section 8 which have not been used for the purpose for which they have been reserved or set aside for the past ten (10) years from the effectivity of this Act and identified as suitable for socialized housing, shall immediately be transferred to the NHA subject to the approval of the President of the Philippines or by the LGU concerned, as the case may be, for proper disposition in accordance with this Act.

SEC. 10. Disposition of Lands for Socialized Housing. – The NHA, with respect to lands belonging to the National Government, and the LGU, with respect to other lands within their respective jurisdiction, shall coordinate with each other to formulate and make available various alternative schemes for the disposition of lands to the ISF-beneficiaries. These schemes shall not be limited to those involving transfer of ownership in fee simple but shall include usufruct, lease with option to purchase, or such other variations as the LGUs or the NHA may deem most expedient in carrying out the purposes of this Act.

SEC. 11. Priorities in the Acquisition of Lands. – Lands for socialized housing shall be acquired in the following order:

- a) Those owned by the Government or any of its subdivisions, instrumentalities, or agencies, including government-owned or - controlled corporations and their subsidiaries;
- b) Alienable lands of the public domain;
- c) Unregistered or abandoned and idle lands;
- d) Those within the declared Areas for Priority Development, Zonal Improvement Program sites, and Slum Improvement and Resettlement Program sites which have not yet been acquired;
- e) *Bagong Lipunan* Improvement of Sites and Services or BLISS sites which have not yet been acquired; and
- f) Privately-owned lands.

SEC. 12. Modes of Land Acquisition. – The modes of acquiring lands 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, 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.

SEC. 13. Valuation of Lands. – Equitable land valuation guidelines for socialized housing shall be set by the Department of Finance on the basis of the market value

reflected in the zonal valuation, or in its absence, on the latest real property tax declaration.

For sites already occupied by qualified ISFs, the Department of Finance shall factor into the valuation the blighted status of the lands as certified by the LGU or the NHA.

SEC. 14. Rights of Private Landowners. – Where the lands illegally occupied by informal settlers are owned by private landowners, the NHA or the LGU shall conduct consultations and negotiation with the private landowners for the purchase of the properties being occupied. Where the private landowners are willing to sell their properties, the NHA or the LGU shall formulate the specific terms and arrangements for the purchase of the properties, ensuring that the said terms and arrangements shall not be prejudicial to the rights and interests of the private landowners; Provided, that the private landowners shall be paid the assessed value of their properties, and that the payment shall be made within a specific period as agreed upon by the parties, but in no case shall it exceed ten (10) years from the execution of the Deed of Sale. Said sale by landowners to the NHA or LGU shall be exempt from capital gains tax and documentary stamp tax.

ARTICLE III FORMULATION OF ON-SITE DEVELOPMENT, IN-CITY OR NEAR-CITY RESETTLEMENT PLANS

SEC. 15. Participation of Beneficiaries. – The LGUs, in coordination with the Presidential Commission for the Urban Poor (PCUP) and other concerned government agencies and civil society organizations (CSOs), shall afford affected ISFs or beneficiaries or their duly designated representatives an opportunity to be heard and to participate in the formulation of on-site development plans or resettlement plans to ensure the protection and promotion of their interests, through, but not limited to, adequate consultations, documentation and feedback mechanisms.

SEC. 16. Formation of Beneficiary-Associations. – Beneficiaries shall be encouraged to organize themselves into an association for accreditation as beneficiaries or awardees of ownership rights under the resettlement plans, community mortgage program, land tenure assistance program and other similar programs in relation to a socialized housing project actually being implemented by the national government or by the LGUs.

In instances where the affected beneficiaries have failed to organize themselves or to form an association within a reasonable period prior to the implementation of the plans or projects affecting them, consultation between the LGU and the affected beneficiaries shall be conducted with the assistance of the PCUP and the concerned CSOs until an association is formed in place.

SEC. 17. Formulation of the On-Site Development, In-City or Near-City Resettlement Plans. – The beneficiary associations shall work closely with the LGUs in the development and implementation of the on-site development plans, or in-city or near-city resettlement plans, as the case may be. The said plans shall be

formulated with the assistance of CSOs and relevant government agencies including the PCUP, NHA, HLURB, National Anti-Poverty Commission (NAPC), Municipal Social Welfare and Development Offices, Social Housing Finance Corporation, and National Disaster Risk Reduction and Management Council.

The On-Site Development, In-City or Near-City Resettlement Plans shall include the following objectives:

- a) Ensure safe, affordable, decent, and humane conditions of relocation;
- b) Ensure that on-site development or in-city, or near-city resettlements, shall include provision for basic services;
- c) Ensure access of relocated families to employment/livelihood opportunities;
- d) Ensure that socialized housing is implemented based on the needs and financial capacity of the beneficiaries, and appropriate to the location;
- e) Ensure incorporation of appropriate disaster risk reduction management and climate change adaptation standards;
- f) Prevent forced eviction, and where demolition or eviction is allowed, that these are implemented strictly following the limitations enumerated in Section 36 of this Act;
- g) Such other provisions as discussed and agreed upon during consultations.

SEC. 18. Suitability of the Resettlement Plans to the Locality. – The standards for the resettlement areas must be decent and consistent with enhancing the dignity of the human person, and must be appropriate to the area. In a highly urban resettlement area, multi-storey condominium type resettlement housing is appropriate. ISFs that have an old member, children, and have a member with disability, shall occupy the ground floor of the resettlement building and shall be given the right of first refusal.

ARTICLE IV SOCIALIZED HOUSING

SEC. 19. Socialized Housing. – As defined under Section 3 of this Act and Section 15 of Republic Act No. 7279, socialized housing is hereby reiterated as the government's primary strategy in providing shelter for the underprivileged and homeless.

SEC. 20. Payment Scheme for Socialized Housing. – The payment scheme shall be determined by the LGU, in coordination with HUDCC and the Social Housing Finance Corporation's (SHFC) maximum loan packages under its Community Mortgage Program (CMP).

The amortization by the beneficiaries should not exceed 30 years with an interest rate of not more than 4.5% per annum.

SEC. 21. Transfer of Ownership. – In the event the beneficiary dies before full ownership of the land is vested on him/her, transfer to his/her heirs shall take place only upon their assumption of his/her outstanding obligations. In case of failure by

the heirs to assume such obligations, the land shall revert to the Government for disposition in accordance with this Act.

SEC. 22. *Usufruct as an Alternative Mode of Acquiring Security of Tenure.* – Whenever possible, the NHA, with respect to lands belonging to the National Government, and the LGU, with respect to lands within their respective jurisdiction, shall explore usufruct as an alternative mode of providing security of housing tenure to the beneficiaries, especially where beneficiaries could not afford to buy the land. The LGU or the NHA shall formulate the specific usufructuary arrangements that are most beneficial to the beneficiaries.

SEC. 23. *Eligibility Criteria for Beneficiaries.* – To qualify for the socialized housing program, a beneficiary must be:

- a) A Filipino citizen;
- b) An underprivileged and homeless citizen, as defined in Section 3 (l) of this Act;
- c) Must not have been a beneficiary of any government housing program except on leasehold or rental arrangements;
- d) Must not be a professional squatter or a member of squatting syndicates as defined under Section 3 (m) of Republic Act No. 7279; and
- e) Must not have violated Sections 33, 34, and 35 of this Act.

SEC. 24. *Registration of Beneficiaries.* – The LGUs, in coordination with the HUDCC, shall design a system for the registration of qualified beneficiaries of socialized housing. Within one (1) year from the effectivity of this Act, the concerned LGUs, through the Committee on Selection of Beneficiaries, shall identify and register all beneficiaries within their respective localities.

SEC. 25. *Committee on Selection of Beneficiaries.* – To assist the LGUs in identifying and registering beneficiaries, and to ensure that all qualified, underprivileged, and homeless citizens will have the opportunity to benefit from socialized housing, there is hereby created in the City/Municipality implementing the resettlement plan a Committee on Selection of Beneficiaries. This Committee will be especially dedicated to:

- a) Compiling the lists of affected ISFs and validating these through appropriate methods such, as but not limited to, consultations;
- b) Reviewing the qualifications and eligibility of the prospective beneficiaries;
- c) Assisting the qualified beneficiaries to fulfill the requirements for registration; and
- d) Performing such other acts necessary to implement the provisions of this Act.

The Committee will meet as often as necessary to perform its functions.

SEC. 26. *Composition.* – The composition of the Committee on Selection of Beneficiaries shall be as follows:

- a) The Local Social Welfare Officer, as chairperson;

- b) The urban poor sectoral representative in the Sangguniang Bayan/Sangguniang Panlungsod;
- c) One (1) representative from the Presidential Commission for the Urban Poor (PCUP);
- d) Two (2) representatives from the beneficiary association established under Section 16 of this Act; and
- e) One (1) representative from a civil society organization working with and for the interest of the ISFs.

SEC. 27. Compensation. – The public officials or employees from the LGUs and from the national government shall perform their duties as such without compensation or remuneration, subject to reasonable *per diem* allowances as approved by the Committee and subject to existing rules and regulations of the Department of Budget and Management. Members thereof who are not government officials or employees shall be entitled to necessary traveling expenses, *per diem* and representation allowances chargeable against the funds of the LGU, as approved by the Committee, subject to existing rules and regulations of the Department of Budget and Management (DBM).

SEC. 28. Incentives for Private Sector Participating in Socialized Housing. – Opportunities for adequate consultation shall be accorded to the private sector involved in socialized housing project pursuant to this Act.

To encourage greater participation of the private sector in socialized housing, the following incentives shall be extended to the private sectors:

- a) Reduction and simplification of qualification and accreditation requirements for participating private developers;
- b) Creation of one-stop offices in the different regions 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;
- c) Simplification of financing procedures; and
- d) Exemption from the payment of the following:
 - i. Project-related income taxes;
 - ii. Capital gains tax on raw lands used for the project;
 - iii. Value-added tax for the project contractor concerned;
 - iv. Transfer tax for both raw completed projects; and
 - v. Donor's tax for lands certified by the LGUs to have been donated to socialized housing purposes.

Provided, that upon application for exemption, the socialized housing development plan has already been approved by the appropriate government agencies concerned: Provided, further, that all the savings acquired by virtue of this provision shall accrue in favor of the beneficiaries.

Appropriate implementing guidelines shall be prepared by the Department of Finance, in consultation with the HUDCC, for the proper implementation of the tax exemption mentioned in this section within one (1) year after the approval of this Act.

ARTICLE V ROLE OF LGUS AND GOVERNMENT AGENCIES

SEC. 29. *Role of Local Government Units.* – The LGUs shall be charged with the implementation of this Act in their respective localities, in coordination with the NHA.

It is the obligation of the LGUs to prevent the construction of any kind of illegal dwelling units or structures within their respective localities. The local chief executive of any LGU which allows, abets or otherwise tolerates the construction of any structure in violation of this Act shall be liable to administrative sanctions under existing laws.

SEC. 30. *Role of the National Housing Authority.* – The NHA, as the primary government agency in charge of providing housing for the underprivileged and homeless citizens, shall provide technical and other forms of assistance in the implementation of the LGUs' on-site development or resettlement plans, with the objective of augmenting and enhancing local government capabilities in the provision of housing benefits to their constituents.

SEC. 31. *Role of the Housing and Urban Development Coordinating Council.* – The HUDCC, as the overall coordinator of all government policies, plans, and programs for the housing sector, shall provide LGUs with necessary support such as, but not limited to:

- a) Formulation of standards and guidelines as well as providing technical support in the preparation of the LGUs' land use plans;
- b) Assistance in obtaining funds and other resources needed in the resettlement and socialized housing programs within their jurisdiction; and
- c) In coordination with the National Economic and Development Authority and the Philippine Statistics Authority, provide data and information for forward-planning by LGUs in their areas, particularly on projections as to the population and development trends in their localities and the corresponding investment programs needed to provide appropriate types and levels of infrastructure, utilities, services and land use patterns.

SEC. 32. *Role of the Housing and Land Use Regulatory Board.* – The HLURB, as the lead agency in the provision of technical assistance to LGUs in the preparation of comprehensive land use plans; regulation of housing, and land development, shall provide support to the LGUs in conducting inventory of lands, preparing their land use plans, housing and land development plans.

SEC. 33. *Role of the Socialized Housing Finance Corporation.* – The SHFC shall administer the Community Mortgage Program under this Act and promulgate rules and regulations necessary to carry out the provisions of this Act.

ARTICLE VI PROHIBITIONS AND PENALTIES

SEC. 34. Limitations and Penalties on the Disposition of Lands Covered Under this Act. – No land for socialized housing, including improvements or rights thereon, shall be sold, alienated, conveyed, encumbered or leased by any beneficiaries as determined by the government agency concerned. Should the beneficiary unlawfully sell, transfer, or otherwise dispose of his/her lot or any right thereon, the transaction shall be null and void. He/She shall also lose his/her right to the land, forfeit the total amortization paid thereon, and shall be barred from the benefits under this Act for a period of ten (10) years from the date of violation.

SEC. 35. Penalty for Abandoning Resettlement Sites. – In cases where the beneficiary ISFs abandon and depart the resettlement site and once again illegally occupy informal settlements or any other residential area, housing units, or government structures, they shall lose their right to the land, forfeit the total amortization paid thereon, and shall be barred from the benefits under this Act for a period of ten (10) years from the date of violation.

SEC. 36. Penalty for Illegal Occupants of Socialized Housing. – Non-bona fide occupants and intruders of lands reserved for socialized housing, such as persons who are not duly registered beneficiaries of socialized housing as provided under this Act, who occupy any portion of the resettlement sites, or allow anyone else to occupy such portions whether by selling or leasing or any other contractual arrangements, shall be imposed the penalty of six (6) years imprisonment or a fine of not less than Sixty Thousand Pesos (P60,000.00) but not more than One Hundred Thousand Pesos (P100,000), or both, at the discretion of the court. Any person or group identified as violating the provisions of this Section shall be summarily evicted and their dwellings or structures demolished, and shall be disqualified to avail of the benefits of the Program. A public official who tolerates or abets the commission of the abovementioned acts shall be dealt with in accordance with existing laws.

SEC. 37. Eviction and Demolition. – Eviction or demolition as a practice shall be discouraged. Eviction or demolition shall be allowed only under the following circumstances, provided that all the limitations provided below shall be strictly complied with.

- a) When persons or entities occupy danger areas such as *esteros*, railroad tracks, garbage dumps, riverbanks, shorelines, waterways, and other public places such as sidewalks, roads, parks, and playgrounds;
- b) When government infrastructure projects with available funding are about to be implemented; or
- c) When there is a court order for eviction and demolition.

In the execution of eviction or demolition orders, the following shall be mandatory:

- i. Notice upon the effected persons or entities at least thirty (30) days prior to the date of eviction or demolition;
- ii. Adequate relocation, whether temporary or permanent. In cases of eviction and demolition pursuant to a court order involving underprivileged and

- homeless citizens, relocation shall be undertaken by the LGU and the NHA, with the assistance of other government agencies, within forty-five (45) days from service of notice of final judgment by the court, after which period the said order shall be executed. Should relocation not be possible within the said period, financial assistance in the amount equivalent to the prevailing minimum daily wage multiplied by sixty (60) days shall be extended to the affected families by the LGU concerned;
- iii. Adequate consultations on the matter of resettlement with the duly designated representatives of the families to be resettled and the affected communities in the areas where they are to be relocated;
 - iv. Presence of local government officials or their representatives during eviction or demolition;
 - v. Execution of eviction or demolition only during regular office hours from Mondays to Fridays and during good weather, unless the affected families consent otherwise;
 - vi. No use of heavy equipment for demolition except for structures that are permanent and of concrete materials;
 - vii. Proper identification of all persons taking part in the demolition; and
 - viii. Proper uniforms for members of the Philippine National Police who shall occupy the first line of law enforcement and observe proper disturbance control procedures.

ARTICLE VII MISCELLANEOUS PROVISIONS

SEC. 38. *Annual Report.* – The LGUs, with assistance from the HUDCC, shall submit a detailed annual report with respect to the implementation of this Act to the President and the Congress of the Republic of the Philippines.

SEC. 39. *Implementing Rules and Regulations.* – The NHA, HUDCC and the Department of the Interior and Local Government (DILG), in consultation and coordination with appropriate government agencies, CSOs, NGOs, representatives from the private sector, and ISFs, shall promulgate a new set of implementing rules and regulations within sixty (60) days from the effectivity of this Act.

SEC. 40. *Appropriations.* – LGUs, depending on the ratio of the homeless to the total population within their jurisdiction, shall appropriate at least five percent (5%) of their annual internal revenue allotment (IRA) for the implementation of this Act. In addition, the allocation for the basic services and facilities specified in Section 6 of this Act may be taken by the LGU implementing the relocation or resettlement from the twenty percent (20%) of the IRA appropriated for development projects as mandated under section 287 of Republic Act no. 7160, otherwise known as the Local Government Code of 1991.

To ensure full implementation of this Act and to realize the dream of every Filipino to have a decent roof over his head, the budgetary allocation for the housing sector in the immediately succeeding year after the effectivity of this Act shall be increased to not less than five percent (5%) of the total annual budget in the General Appropriations Act.

SEC. 41. *Suppletory Application of Republic Act No. 7279 and Republic Act No. 7160.* – The provisions of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992; and Republic Act No. 7160, otherwise known as the Local Government Code of 1991, insofar as they are not inconsistent with the provisions of this Act, shall apply suppletorily.

SEC. 42. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SEC. 43. *Repealing Clause.* – All other laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 44. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.