

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

Eighteenth Congress  
First Regular Session

HOUSE BILL NO. 2000



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Introduced by Honorable Neptali M. Gonzales II

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**EXPLANATORY NOTE**

Article XIII, Sec. 9 of the 1987 Constitution on Social Justice and Human Rights directs the State to undertake a continuing program of urban land reform and housing that will provide inexpensive but decent housing and basic services to homeless Filipinos in urban and resettlement areas.

In fulfilment of this constitutional mandate, Congress enacted RA 7279, otherwise known as the Urban Development and Housing Act of 1992. This law provided for the rehabilitation and development of blighted and slum areas and resettlement only if on-site development is not feasible. Section 26 of RA 7279 emphasized that "on-site development shall be implemented whenever possible in order to ensure minimum movement of occupant of blighted lands and slum areas."

Subsequently, RA 9397 was enacted amending the Urban Development and Housing Act of 1992. The approval of RA 9397 addressed the need of the organized urban poor in lands owned by the national government, local government units, government agencies and instrumentalities for security in land tenure and ownership by allowing purchase thereof via direct negotiated sale to occupants without need of public bidding subject to several conditions.

Since the early 2000s, occupants-informal settlers in Welfareville, Mandaluyong, have organized themselves in their bid for a chance to purchase the lots they have resided in for so many years. The Welfareville property in Mandaluyong City was set aside by the government in 1925 for the establishment of welfare institutions. It consists of approximately 30 hectares of land portions of which are occupied by informal settlers. When RA 9397 became effective in 2007, organized Welfareville residents petitioned the Mandaluyong local government and the office of the President for a chance to acquire by purchase through installment the lots on which their houses stand on. A stumbling block however to this aspiration is Republic Act 5260 entitled, "An Act Authorizing a Committee Composed of the Administrator of the Social Welfare Administration, the Auditor General and the Secretary of the Department of General Services to sell the Welfareville Property located in the Municipality of Mandaluyong, Province of Rizal, and for other Purposes." RA 5260 requires the sale of the Welfareville Property be conducted through public bidding.

This bill seeks to amend RA 5260 by allowing the sale of the Welfareville property, except the areas occupied by the National Center for Mental Health and the Correctional Institution for Women, by direct negotiated sale to the organized and residents therein and without public bidding. The bill if enacted into law will not contradict the intent and purpose of RA 5260 which is to utilize the proceeds of the sale of Welfareville for the establishment of children's home institutions and provision of community services for children. The bill is consistent with RA 9397 which allows direct negotiated sale without public bidding to actual occupants lands owned by the government. Moreover, the bill ensures the minimum movement of informal settlers and least disturbance of their rights pursuant to the mandate of 1987 constitution and the Urban Development and Housing Act of 1992.

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



NEPTALI M. GONZALES II

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AN ACT  
DECLARING CERTAIN PORTIONS OF THE WELFAREVILLE  
PROPERTY LOCATED IN THE CITY OF MANDALUYONG OPEN  
FOR DISPOSITION TO BONA FIDE RESIDENTS WITHOUT  
PUBLIC BIDDING AND FOR OTHER PURPOSES

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

**SECTION 1. Declaration of Policy.** – It is hereby declared the policy of the State to secure the land tenure of the urban poor. Pursuant to Sections 9 and 10 of Article XIII of the Constitution and Republic Act No. 7279, also known as the “Urban Development and Housing Act of 1992”, certain portions of the Welfareville property owned by the national government in the City of Mandaluyong shall be utilized for socialized housing.

**SEC. 2. Direct Negotiated Sale Without Public Bidding of the Welfareville Property.** – The Welfareville property, except the areas occupied by the National Center for Mental Health (NCMH) and the Correctional Institution for Women (CIW), is hereby declared alienable and disposable and shall be sold through direct negotiated sale to *bona fide* residents therein without public bidding: *Provided*, That the applicable conditions provided under Section 12 of Republic Act No. 7279, as amended, shall be complied with: *Provided, also*, That the determination of *bona fide* residents shall be based on the census verification survey conducted by the Welfareville Commission of the Local Government of the City of Mandaluyong in 2003 or on continuous residency or ownership of residential structures for at

least ten (10) years before the effectivity of this Act as certified by the barangay chairperson concerned and the local government of the City of Mandaluyong: *Provided, further,* That persons or families classified as *bona fide* residents in the NCMH and CIW areas for having been included in the census verification survey of 2003 or who have continuously maintained residence or owned a residential structure in these areas for at least ten (10) years prior to the effectivity of this Act as certified by the barangay chairperson and the local government of the City of Mandaluyong, shall be allowed to purchase lots within the disposable and alienable portion of the Welfareville property, also through direct negotiated sale without public bidding: *Provided, furthermore,* That a nonnegotiable condition of the sale to *bona fide* residents therein shall be annotated on their titles to the effect that, except for testate or intestate succession, the residents cannot assign, sell, convey or dispose of their rights to any party within a period of twenty (20) years from the date of purchase: *Provided, finally,* That the proceeds of the sale shall be exclusively used and expended in accordance with Section 2 of Republic Act No. 5260, otherwise known as "An Act Authorizing a Committee Composed of the Administrator of the Social Welfare Administration, the Auditor General and the Secretary of the Department of General Services to Sell the Welfareville Property Located in the Municipality of Mandaluyong, Province of Rizal, and for Other Purposes".

**SEC. 3. Cadastral Survey.** – The Bureau of Lands shall undertake a cadastral survey of the disposable and alienable portions of the Welfareville property referred to in this Act for the purpose of determining the actual boundaries of said area. The Bureau shall also submit its report to the Welfareville Trustee Committee.

**SEC. 4. Trustee Committee.** – There is hereby created a Trustee Committee to be composed of the Secretary of the Department of Social Welfare and Development as the Chairperson, the Secretary of the Department of Environment and Natural Resources, the Chairperson of the Presidential Commission for the Urban Poor, the Representative of the

Lone District of the City of Mandaluyong, the Mayor of the City of Mandaluyong, the Chairperson of the Housing and Urban Development Coordinating Council, and two (2) representatives from the duly recognized people's organizations, as members thereof. The representatives of the duly recognized people's organizations shall be appointed by the Chairperson of the Trustee Committee upon the recommendation of the organization they represent.

**SEC. 5. Powers and Functions of the Trustee Committee.** – The Trustee Committee shall have the following powers and functions:

1. To determine the *bona fide* residents based on the census verification survey conducted by the Welfareville Commission of the Local Government of the City of Mandaluyong in 2003;
2. To formulate a schedule of implementation of the sale;
3. To supervise the sale except the areas occupied by the NCMH and CIW; and
4. To administer the proceeds of the sale and its utilization.

**SEC. 6. Implementing Rules and Regulations.** – The Trustee Committee shall formulate and promulgate the rules and regulations to effectively implement the provisions of this Act within sixty (60) days from the effectivity of this Act.

**SEC. 7. Appropriations.** – The amount necessary for the operations of the Trustee Committee shall be included in the budget of the Department of Social Welfare and Development in the annual General Appropriations Act.

**SEC. 8. Separability Clause.** – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SEC. 9. *Repealing Clause.*** – Section 1 of Republic Act No. 5260 and all laws, decrees, orders, rules and regulations, issuances, or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed, amended, or modified accordingly.

**SEC. 10. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

**Approved,**