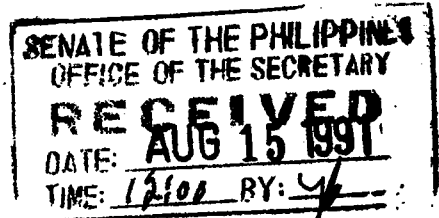


Congress of the Philippines )  
Fifth Regular Session )

SENATE



COMMITTEE REPORT NO 1397

Submitted to the Committee on Urban Planning, Housing and Resettlement on August AUG 15 1991

Re: S. No. 234

Recommending its substitution by the attached bill, Annex A hereof.

Sponsor: Sen. Jose D. Lina, Jr.

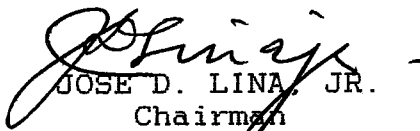
MR. PRESIDENT:

The Committee on Urban Planning, Housing and Resettlement to which was referred S. No. 234, introduced by Sen. Jose D. Lina, Jr. entitled:

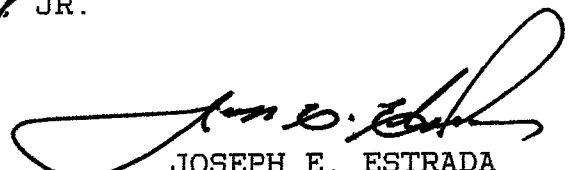
"AN ACT TO DECLARE A NATIONAL POLICY AND PROGRAM ON URBAN LAND REFORM AND HOUSING, ESTABLISH THE INSTITUTIONAL MACHINERY FOR THE IMPLEMENTATION THEREOF, AUTHORIZE THE APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES"

has considered the same and has the honor to report it back to the Senate with the recommendation that it be substituted by the attached bill (Amendment by Substitution), Annex A hereof.

Respectfully Submitted:

  
JOSE D. LINA, JR.  
Chairman

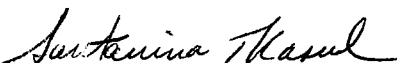
JOHN H. OSMENA  
Vice-Chairman

  
JOSEPH E. ESTRADA  
Vice-Chairman

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NEPTALI A. GONZALES

  
ORLANDO S. MERCADO

  
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EX-OFFICIO MEMBERS

SOTERO H. LAUREL  
President Pro Tempore

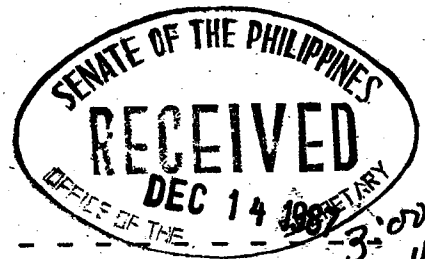
  
TEOFISTO T. GUINGONA  
Majority Floor Leader

JUAN PONCE ENRILE  
Minority Floor Leader

HON. JOVITO R. SALONGA  
Senate President  
M a n i l a

S E N A T E

S.NO. 234



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Introduced by Senator Lina, Jr.  
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EXPLANATORY NOTE

Two major reforms affecting land of this country are mandated by the Constitution: agrarian reform which is now the subject of two measures pending approval in the Senate and urban land reform which is the objective of this important and urgent measure.

The present proposal seeks to implement Sections 9 and 10 of Article XIII of the Philippine Constitution. Of the total housing needs projected for 1987 to 1992 of 3,376,000 units, 1,608,000 housing units are needed in the urban areas. Of this number, 576,000 housing units are needed in the National Capital Region and 1,032,000 are needed in other urban areas. Around 884,000 dwelling units constituting some 55 percent of the total urban housing need are projected to be built by the private sector. The top 50 per cent of income earners involve some 707,500 dwelling units, of which 253,500 are in the National Capital Region and those of the upper lower income earners of about 20 percent involving 132,399 units.

Clearly, the government is now tasked to serve the low income earners just above the subsistence level and those at or below the poverty line or the bottom 30% of the population. Special attention needs to be given to urban needs for land sites and decent housing at affordable levels for the bottom 30% of the income earners at or below the poverty line.

This bill declares a national policy and sets a national comprehensive, continuing program of urban land reform and housing, particularly for the underprivileged and homeless in urban centers and resettlement areas. Basic services of water, electricity or energy resources, sanitation and infrastructure for the site are essential components of housing. The measure also sets forth the necessary requisites of the program including: a system of land acquisition and development, a framework for rational development of urban areas, a national shelter program for the homeless and underprivileged, an urban renewal and resettlement program, a land tenure scheme, a package of fiscal incentives, a system of sharing unearned increments, and coordination between the national and local governments in the implementation of the program.

The implementing structure is the Department of Urban Land Reform and Housing, together with the Local Governments of chartered cities, urban municipalities and metropolitan political subdivisions. Land acquisition shall respect the rights of small property owners through a just and fair retention of residential land and an area needed for the livelihood of the family.

For relocation, a just and humane approach with consultation with dwellers and the communities where they are to be relocated is required.

For the sake of the millions of urban poor, this bill is urgent and necessary.

  
JOSE D. LINA, JR.



S E N A T E

S. NO. 234

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Introduced by Senator Lina, Jr.  
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AN ACT

TO DECLARE A NATIONAL POLICY AND PROGRAM ON URBAN LAND REFORM AND HOUSING, ESTABLISH THE INSTITUTIONAL MACHINERY FOR THE IMPLEMENTATION THEREOF, AUTHORIZE THE APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

1       SECTION 1. Title.- This Act shall be known as the "Urban  
2 Land Reform and Housing Act."

3       SEC. 2. National Policy and Program.- It is hereby declared  
4 to be the policy of the State to undertake, in cooperation with  
5 the private sector, a comprehensive and continuing national program  
6 of urban land reform and housing which will make available at  
7 affordable cost decent housing and basic services to underprivi-  
8 leged and homeless citizens in urban centers and resettlement  
9 areas. The State shall promote adequate employment opportunities  
10 for such citizens. In the implementation of this program, the  
11 State shall respect the rights of small property owners.

12       The State shall ensure that urban and rural development shall  
13 be complementary and mutually supportive. For this purpose, the  
14 State shall adopt such measures which will encourage workers to  
15 remain in the rural areas through incentives for rural development,  
16 equal employment for workers, and the rational and just sharing of  
17 benefits from resources of the State.

18       In the implementation of the program, the State shall institute  
19 an equitable urban land system which shall rationalize the  
20 distribution of urban land, prescribe a fair and just retention  
21 limit for ownership, and ensure just compensation for seller-  
22 owners.

1 Urban land reform shall include renewal of blighted areas and  
2 the just and humane relocation of dwellers. Urban and rural  
3 dwellers shall not be evicted nor their dwellings demolished  
4 except in accordance with law. No resettlement of urban or  
5 or rural dwellers shall be undertaken without adequate consulta-  
6 tion with the dwellers, the leaders of the communities where  
7 they are to be relocated, and such other groups or communities  
8 to be affected by the resettlement.

9 SEC. 3. Land Covered by the Program.- The program shall  
10 cover all urban lands suitable for housing, whether public or  
11 or private, and regardless of the contractual or other tenurial  
12 arrangements between the owners and the occupants thereof; with  
13 due regard for the rights of small property owners.

14 Sequestered lands in the urban areas and all lands suitable  
15 for housing which may revert to the State in accordance with  
16 Section 21, Article XVIII of the Constitution of the Philippines  
17 shall be deemed to be within the coverage of this Act.

18 SEC. 4. Land Not Covered by the Program.- The following  
19 land shall be exempt from coverage of this Act:

20 1. Land actually used and necessary for national defense  
21 and security of the State;

22 2. Land used or otherwise set aside for government offices,  
23 facilities and other installations, whether national or owned  
24 by a local government unit or political subdivision;

25 3. Land used or set aside for parks, reserves for flora and/or  
26 fauna, or otherwise planned to maintain ecological balance or  
27 environmental protection;

28 4. Land designated in national and/or local government plans  
29 approved in accordance with existing law to be suitable for  
30 purposes other than housing;

31 5. Land devoted to religious or charitable purposes, school  
32 sites and campuses, public or private, and land actually used  
33 by small property owners within the just and equitable retention

1 limit as provided under this Act.

2 SEC. 5. Definition of Terms.

3 1. Consultation refers to the provision in Section 9 of  
4 Article XIII of the Constitution of the Philippines whereby  
5 dwellers to be resettled, leaders of the communities where they  
6 are to be relocated, and such other groups or communities to be  
7 directly affected by the resettlement are provided the opportunities  
8 to participate in the decision-making process prior to the  
9 adoption of the resettlement plan, before and during the implemen-  
10 tation of the relocation of dwellers, and even when the dwellers  
11 are physically resettled when the issue of basic services to be  
12 established in the site or the general welfare of the dwellers  
13 resettled are involved. The consultation may be at the initiative  
14 of the government, or that of the dwellers and the leaders of the  
15 communities where they are to be relocated.

16 2. Resettlement Areas are identified by the proper government  
17 agency, national or local, and will be used to relocate dwellers  
18 in urban centers or from blighted urban areas. These areas will be  
19 provided the basic services and amenities, including water,  
20 electricity or other sources of energy suitable for the site,  
21 employment opportunities, or decent housing at affordable  
22 cost for underprivileged and homeless citizens, pursuant to  
23 this Act. Site development shall include roads, and other  
24 infrastructure essential to meet the basic needs of the dwellers  
25 relocated or to be relocated at the identified resettlement area.

26 3. Security of Tenure refers to the right of the lawful tenant or  
27 possessor of land and/or improvements thereon by virtue of  
28 ownership or contractual agreement with the owner such as lease or  
29 usufruct, to be protected from infringement of such right or from  
30 unjust, unreasonable or unlawful eviction or dispossession.

31 4. Small Property Owners are those whose rights are protected

1 under Section 9, Article XIII of the Constitution of the Philippines,  
 2 who own small parcels of land within the fair and just retention  
 3 limit provided under this Act and which are adequate to meet the  
 4 reasonable needs of the small property owner's family and their  
 5 means of livelihood.

6 5. Tenants are the lawful occupants of the urban land and/or  
 7 improvements thereon pursuant to a lease or other contractual agree-  
 8 ment with the owner of said land and/or improvements thereon. The term  
 9 does not include persons whose presence on the urban land and/or  
 10 improvements thereon are merely tolerated, or whose occupancy is  
 11 done without the knowledge or express permission of the owner, or  
 12 who occupy the land or premises by force or intimidation, deceit or  
 13 fraud, or in violation of the terms of the agreement, or other  
 14 unlawful means.

15 6. Underprivileged and Homeless Citizens are those referred to  
 16 in Section 9, Article XIII of the Constitution of the Philippines  
 17 who reside in urban centers or resettlement areas, have an income  
 18 level within subsistence level or below the poverty line, and who  
 19 do not own homes whether in the urban or rural area. These citizens  
 20 include those who are: (a) dependent mainly on government assistance  
 21 or from non-governmental charitable organizations for their subsis-  
 22 tence; (b) unemployed, underemployed, or do not have regular em-  
 23 ployment due largely to their lack of skill, training or education;  
 24 (c) itinerant workers who, as marginal members of the labor force,  
 25 receive low wages and/or do not enjoy benefits due regularly-employed  
 26 workers; (d) slum-dwellers; (e) residing along railroad tracks,  
 27 sidewalks, waterways or banks of rivers, lakes or seas, cemeteries,  
 28 dump or garbage sites, or other blighted areas which constitute a  
 29 hazard to themselves or to the general public; (f) relocated families;  
 30 (g) rendered homeless due to calamities or the insurgency situation;  
 31 and (i) living in substandard housing due to the lack of affordable  
 32 decent housing owned or rented by them where they reside or where  
 33 they work.

1 7. Urban Area refers to land in a metropolitan political  
2 subdivision, chartered cities and urbanized municipalities.

3 8. Urban Land Reform and Housing Program refers to the  
4 program mandated in Sections 9 and 10, Article XIII of the  
5 Constitution of the Philippines and which is provided for  
6 under this Act.

7 SEC. 6. Components of the Program.- The urban land  
8 reform and housing program shall have the following components:

9 1. A system of land acquisition, development, management  
10 and disposition which shall facilitate and maximize access of  
11 underprivileged and homeless citizens in urban centers and  
12 resettlement areas to land for the purpose of housing, basic  
13 services, and to promote employment opportunities;

14 2. A framework plan for ensuring the rational development  
15 of urban areas, particularly designated urban centers and  
16 relocation areas vis-a-vis other lands adjacent to these centers  
17 or relocation areas;

18 3. A national shelter program of low-cost, decent housing  
19 at affordable levels to underprivileged and homeless citizens;

20 4. An urban renewal and resettlement program, particularly  
21 in blighted and slum areas;

22 5. A land tenure scheme which shall make available several  
23 alternatives to underprivileged and homeless citizens to maximize  
24 access to decent housing at affordable cost to the greater number;

25 6. A package of fiscal and other forms of incentives to  
26 encourage the maximum participation of the private sector in the  
27 urban land reform and housing program;

28 7. A system for ensuring that unearned increments arising from  
29 the implementation of the comprehensive and continuing urban land  
30 reform and housing program shall accrue equitably to the government  
31 and to those who invest and participate in the Program from the  
32 private sector; and



1           8. Coordination among the National Government Agencies  
2 implementing the program, the Local Government Units concerned,  
3 and the private sector.

4           SEC. 7. System of Land Acquisition, Development, Management  
5 and Disposition or Use.

6           1. Identification of Urban Land for Housing. The National  
7 Government and the Local Government Units concerned shall  
8 identify urban lands suitable for housing.

9           2. Registry of Identified Urban Land. As soon as the sites  
10 for housing have been identified, the Local Governments and the  
11 National Government Agencies implementing the program shall  
12 establish a registry. The Registry shall document the various in-  
13 terests existing on the land and/or the improvements thereon,  
14 including: the contractual agreements governing the same, the  
15 parties to such agreements, existing mortgages or other encum-  
16 brances thereon, and such other data or information useful in  
17 rationalizing future contractual agreements among the parties  
18 in order to guarantee security of tenure.

19           Local Governments shall establish a registry of urban land  
20 within their jurisdiction. The National Government shall set  
21 up a registry of land under the National Government's jurisdic-  
22 tion and collate data on land registered with Local Governments.

23           3. Registry of Small Property Owners. Small property  
24 owners may register their urban land and give notice that they  
25 shall retain the same or that they are voluntarily selling the  
26 land. Small property owners shall be entitled to the retention  
27 of what is just, reasonable and fair for their residence and  
28 for the livelihood of their family.

29           4. Acquisition of Land for Housing. Housing shall first  
30 be provided on public land available for the purpose. Acquisi-  
31 tion of public lands shall be prioritized according to which land  
32 are owned or in the possession of the government, lands provided  
33 with basic services and amenities, and sites where employment  
34 opportunities are already available. Only when public lands

1 are not available, will private lands be acquired for housing.

2 The government shall provide financial and other forms of  
3 assistance to enable the underprivileged and the homeless to  
4 acquire ownership of land and/or the improvements thereon, should  
5 the owner voluntarily decide to sell or transfer the same. Land  
6 acquisitions arrangements shall include, among others, land exchange  
7 of public land for private land, donations to the government  
8 by the private sector; only when other arrangements have been  
9 exhausted should the government expropriate private lands to be  
10 used for housing and sites and services; provided that small  
11 parcels of land owned by small property owners shall not be  
12 subject to expropriation if within the just and reasonable  
13 retention limits provided under this Act.

14 4. Disposition of Land. The Government shall make available  
15 alternative schemes for the use or disposition of land and houses  
16 thereon to underprivileged and homeless citizens. Preference  
17 shall be given to schemes which enable the Government to retain  
18 ownership and/or control over lands acquired for housing vis-a-vis  
19 transfer of absolute ownership to those who will be given  
20 housing under this Act. The government should retain control  
21 over the land until the amortizations thereon have been paid and  
22 the occupants have been prepared to assume the responsibilities  
23 of a home and lot owner. No house or lot shall be transferred  
24 to another by a grantee-occupant until the full ownership thereof  
25 has been transferred to said grantee-occupant by the government;  
26 not shall housing site grants be subject to lease to another  
27 person. Violation of the conditions of a housing site grant  
28 shall result in the loss of the site and the amortizations paid  
29 thereon prior to the said violation.

30 Schemes other than transfer of ownership of housing site grants  
31 include: leasehold tenure, leasehold with option to purchase, or  
32 variations of transfer without ownership to the land and house.

1        SEC. 8. Framework for Rational Development.- The National  
2 Government Agencies implementing the program and Local Govern-  
3 ments concerned shall prepare development plans for the areas  
4 identified as urban land reform and housing sites. The framework  
5 plan shall conform to the regional and local development plans  
6 for the urban areas and shall include development control  
7 regulations including: zoning, subdivision and building regula-  
8 tions, infrastructure construction and maintenance, roads and  
9 waterways, traffic engineering and management, public safety  
10 and sanitation and other basic services. The overall urban  
11 reform and housing development plan for the region and for the  
12 specific chartered city, urban municipality or metropolitan  
13 political subdivision shall be approved by the appropriate  
14 regulatory board in accordance with existing laws. Any major  
15 changes in the regional or local government plan shall require  
16 the prior approval of the appropriate regulatory board which  
17 approved the original regional or local government plan.

18        SEC. 9. National Shelter and Housing Program.- The urban  
19 land reform and housing program shall be undertaken within the  
20 framework of the National Shelter and Housing Program of the  
21 government which requires that housing assistance shall be  
22 primarily directed to the lowest thirty per cent (30%) of  
23 underprivileged and homeless citizens. The shelter program for  
24 urban areas include the construction of core housing units and  
25 installation of the required basic services infrastructure for  
26 water, electricity or energy source, drainage, sewerage and  
27 flood control, roads, and waterways, if appropriate.

28        SEC.10. Urban Renewal and Resettlement.- The urban land  
29 reform and housing program shall include urban renewal of  
30 blighted and slum areas, relocation of dwellers pursuant to  
31 law and a just and humane approach, and technical or other  
32 assistance to private developers engaged in low-cost housing.

1 Relocation and resettlement of urban dwellers or the  
2 homeless from their existing places of residence shall be  
3 undertaken only where the on-site and sites and services  
4 projects are not practicable.

5 Consultations will cover sites, services to be delivered  
6 prior to and during relocation, guidelines on determination of  
7 relocatees, and other matters which need to be decided so that  
8 relocation or demolition of dwellings will be just and humane.

9 SEC. 11. Balanced Housing Development.- To the extent  
10 possible, the urban land reform and housing program shall  
11 include a system whereby for every three units built by the  
12 government or the private sector for the lower and upper  
13 middle-income group, one unit shall be built for the  
14 underprivileged and homeless citizens.

15 Twenty percent (20%) of the amount allocated for  
16 housing for the lower and upper middle-income group shall  
17 be spent for the underprivileged and homeless citizens by  
18 both the public and private sectors.

19 SEC. 12. Role of the Non-Governmental Organizations.-  
20 The government in planning and implementing the urban land  
21 reform and housing program shall consult not only the  
22 beneficiaries of the housing program, but other non-governmental  
23 organizations whose objectives and programs are related to  
24 or intended to improve the well-being of the underprivileged  
25 and homeless citizens in urban areas and resettlement  
26 sites.

27 The government shall promote, encourage and provide  
28 assistance to the underprivileged and homeless to form their  
29 own organizations to manage their subdivisions or places of  
30 residence, as well as form a homeowners' association. A  
31 majority of the members of the governing board of directors  
32 of the organization shall be residents of the subdivision or  
33 places of residence of these members.

1        SEC. 13. Department of Urban Land Reform and Housing.-

2        There is hereby created a Department of Urban Land Reform and  
3        Housing headed by a Secretary. The Secretary shall be assisted  
4        by an Undersecretary for Urban Land Reform and an Undersecretary  
5        for Housing. The Department shall be the primary agency, together  
6        with the Local Government Units concerned, in planning, implemen-  
7        ting, and coordinating the activities related to the policy and  
8        program provided for under this Act.

9        SEC. 14. Funding Sources.- The sources of funds for the  
10       implementation of this Program shall be derived from, among  
11       others, : (a) the twenty per cent (20%) ad valorem tax on log  
12       exports under Letter of Instruction 932; (b) 1 per cent (1%)  
13       of the real property tax to be derived from the special education  
14       fund; (c) proceeds from the sequestration of lands, properties  
15       and businesses of the deposed regime; (d) other sources as  
16       provided by law.

17       For the initial operations of the Program, the amount of  
18       fifty million ( ₱ 50,000,000) is hereby authorized to be allocated  
19       from existing and sequestered funds and made available as seed  
20       capital for 1988. Thereafter, such amount as may be needed to  
21       implement this Act shall be provided for in the annual appro-  
22       priations Act.

23       SEC. 15. Rule-Making Powers.- The Department shall promul-  
24       gate rules and regulations to implement this Act and set guide-  
25       lines for land acquisition, urban land retention, determination of bene-  
26       ficiaries, and other matters necessary to implement this Act. Rules and  
27       regulations shall be promulgated after public hearings and shall  
28       take effect upon completion of publication in at least two national  
29       newspapers of general circulation.

30       SEC. 16. Penalties.- For the violation of provisions of this  
31       Act or for violation of Rules and Regulations issued by the Depart-  
32       ment pursuant to this Act, the fine shall be not more than twenty-  
33       thousand pesos ( ₱ 20,000) and/or cancellation or suspension of the

1 juridical entity to continue operations in the construction of  
2 housing and other activities related to urban land reform and  
3 housing. Where the violator is a corporation, partnership or  
4 association, the penalty shall be imposed on the president or  
5 managing partner/director and/or responsible officers thereof.

6 SEC. 17. Compliance Monitoring.— The Department is  
7 empowered to investigate or inquire into any existing transaction  
8 or situation related to urban land reform and housing, whether by  
9 the government or the private sector; and to require enforcement  
10 of the provisions of this Act or compliance with Rules and  
11 Regulations. For this purpose, it may call upon the national  
12 police or the constabulary to assist the Department in the inves-  
13 tigation or to require enforcement of Department Orders.

14 The Department may also order the cancellation or titles,  
15 contracts or housing site grants or any other benefit issued under  
16 this Act upon a proper showing of a violation of the conditions  
17 required by the law or by the grant of the housing site.

18 SEC. 18. Operations and Personnel.— The Department Secretary  
19 shall issue appropriate orders and directives for the operations  
20 and personnel of the Department which are necessary for the  
21 implementation of this Act, subject to existing rules and regulations  
22 of the Department of Budget and Management, the Civil Service  
23 Commission and the Commission on Audit.

24 SEC. 19. Separability Clause.— If for any reason, any provision  
25 of this Act is declared invalid or unconstitutional, the remaining  
26 provisions not affected thereby shall continue to be in full  
27 force and effect.

28 SEC. 20. Repealing Clause.— All laws, decrees, orders or  
29 regulations or parts thereof inconsistent with this Act are hereby  
30 repealed or modified accordingly.

1           SEC. 21. Effectivity Clause.- This Act shall take  
2 effect upon its approval and completion of its publication  
3 in at least two national newspapers of general circulation.

Approved,