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HOUSE OF REPRESENTATIVES

H. No. 4565

BY REPRESENTATIVES OLIVAREZ, CALIMBAS-VILLAROSA, BIAZON, SARMIENTO (M.), EJERCITO, CASTELO, HERRERA-DY, OCAMPO, TEOPORO, MAGSAYSAY (M.), VALENCIA, LEONEN-PIZARRO, BAGATSING, ACHARON, KHO (D.), LICO, SY-ALVARADO, DE JESUS AND PADILLA, PER COMMITTEE REPORT NO. 899

- AN ACT CREATING A LOCAL HOUSING BOARD IN EVERY CITY AND FIRST TO THIRD CLASS MUNICIPALITY, PROVIDING FOR ITS POWERS AND DEFINING ITS DUTIES AND FUNCTIONS, AND FOR OTHER PURPOSES
- Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:
- SECTION 1. Short Title. This Act shall be known as the "Local Housing Board Act of 2011".
 - SEC. 2. Declaration of Policy. It is hereby declared the policy of the State to:
- 5 (a) Promote a just and dynamic social order that will ensure the 6 prosperity and independence of the nation and free the people from poverty 7 through policies that provide adequate social services, promote full 8 employment, a rising standard of living and an improved quality of life for all;

(b) Adopt a continuing socialized housing program that will make available at affordable cost decent housing and basic services to underprivileged and homeless urban or rural poor dwellers;

- (c) Protect urban or rural poor dwellers from evictions or demolitions undertaken in violation of the law or in an unjust or inhumane manner;
- (d) Advance and promote genuine and meaningful local autonomy of territorial and political subdivisions of the State to enable them to attain their fullest development as self-sufficient communities and make them more effective partners in the attainment of national goals, and towards this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units (LGUs) shall be given more powers, authority, responsibilities and resources in the establishment and implementation of their own housing program;
- (e) Promote and institutionalize the participation of the private sector, nongovernment organizations (NGOs) and people's organizations (POs) in the urban and rural development process; and
- (f) Require all national agencies and offices to conduct periodic consultations with appropriate LGUs, NGOs and POs and other concerned sectors and stakeholders of the community before any project or program is implemented in their respective jurisdictions.
- SEC.-3. Definition of Terms. For purposes of this Act, the following terms or words and phrases shall mean or be understood as follows:
- (a) Balanced Housing Requirement refers to the mandate pursuant to Section 18 of Republic Act No. 7279 or the "Urban Development and Housing Act of 1992", whereby developers of proposed subdivision projects shall be required to develop an area for socialized housing equivalent to at least twenty percent (20%) of the total subdivision area or total subdivision project cost, at

the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standard set by the Housing and Land Use Regulatory Board (HLURB) and other existing laws.

- (b) Board refers to the Local Housing Board created under this Act.
- (c) Comprehensive Land Use Plan refers to the primary and dominant bases for land use, applying a rational approach for allocating available land resources as equitably as possible among competing user-groups and for different functions, consistent with the development and zoning plan of the area and the provisions of Republic Act No. 7279.
 - (d) *Economic housing* refers to a type of housing project provided to moderately low-income families with lower interest rates and longer amortization periods.
 - (e) Local Government Pabahay Program refers to the program aimed at synchronizing and coordinating efforts of all government housing agencies involved in assisting LGUs in their respective socialized housing projects, in the context of Executive Order No. 143, series of 1993, entitled: "Directing the Housing and Urban Development Coordinating Council to Oversee the Implementation of a Local Government Pabahay Program, and Defining the Responsibilities of Certain Agencies Which Will be Involved Therein".
 - (f) Local Shelter Plan refers to a general framework that effectively provides a step-by-step procedure by which cities and municipalities could formulate solutions to their housing problems, and shall include policy measures to enable cities and municipalities to plan and implement their specific mandates of Republic Act No. 7279, and to facilitate a linkage with comprehensive land use plans as defined under this Act.
 - (g) Local Shelter Plan Guidelines refer to a model for the preparation of local shelter plans, as embodied in the National Urban Development and Housing Framework (NUDHF), or that which was developed under the

PHI/89/F02 Project, implemented by the Housing and Urban Development Coordinating Council (HUDCC) and executed by the United Nations Centre for Human Settlements (UNCHS).

- (h) National Urban Development and Housing Framework (NUDHF) refers to the comprehensive plan for urban and urbanizable areas issued by the HUDCC and the HLURB in November 1994 aimed at achieving the objectives of Republic Act No. 7279.
- (i) NGO or nongovernmental organization refers to a duly registered nonstock, nonprofit organization focusing on the upliftment of the basic or disadvantaged sectors of society by providing advocacy, training, community organizing, research, access to resources, and other similar activities as defined under the Social Reform and Poverty Alleviation Act.
- (j) PO or people's organization refers to a self-help group belonging to the basic sectors and/or disadvantaged groups composed of members having a common bond of interest who voluntarily join together to achieve a lawful common social or economic end as defined under the Social Reform and Poverty Alleviation Act.
- (k) Rural areas refer to those areas that are not urban areas as defined under this Act.
- (l) Socialized housing refers to housing programs and projects covering houses and lots or homelots only 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 Republic Act No. 7279.
- (m) *UDHA* refers to the Urban Development and Housing Act of 1992 or Republic Act No. 7279.

- (n) Underprivileged and homeless rural or urban poor dwellers refer to individuals or families residing in rural or urban areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority (NEDA) and who do not own housing facilities, and shall include those who live in makeshift dwelling units and do not enjoy security of land tenure.
 - (o) *Urban areas* refer to all cities regardless of their population density and to municipalities with a population density of at least five hundred (500) persons per square kilometer.
 - SEC. 4. Coverage. This Act shall cover all cities and first to third class municipalities in both urban and rural areas: Provided, That fourth and fifth class municipalities may create their own Local Housing Board if they so desire.
 - SEC. 5. Mandate. The Local Housing Board in every city and municipality covered under this Act shall formulate, develop and recommend to the sanggunian policies and programs of the LGU on the provision of decent housing and resettlement areas and on the observance of the right of the underprivileged and homeless to a just and humane eviction and demolition; and perform the devolved functions of the HLURB under the Local Government Code of 1991 and under Executive Order No. 71, series of 1993 insofar as socialized housing is concerned.
 - SEC. 6. Creation and Composition. There shall be created a Local Housing Board in every city or municipality covered under this Act which shall be composed of the following:
 - (a) The City/Municipal Mayor, as chairperson;
- 26 (b) The City/Municipal Vice Mayor, as vice chairperson;
- (c) The Chairperson of the Sangguniang Panlungsod/Bayan Committee
 on Housing and Urban Development or its equivalent, as member;

- 1 (d) The City/Municipal Planning and Development Coordinator, as 2 member;
 - (e) The City/Municipal Engineer, as member;

- 4 (f) A representative of the National Housing Authority (NHA), as 5 member;
 - (g) A representative of the POs in the city or municipality, as member;
- 7 (h) A representative of the NGOs operating in the city or municipality, 8 as member; and
 - (i) A representative of the private sector engaged in subdivision and housing development in the city or municipality, as member.

In the case of a city, the Presidential Commission for the Urban Poor (PCUP) shall be represented in the Board, as member.

A PO, NGO or private sector representative already represented in any local special body may be concurrently represented in the Board: *Provided*, That a PO, NGO or private sector representative to the Board shall each be selected through the same process as that of filling up the position of representatives of local special bodies.

- SEC. 7. Powers and Functions. A city or municipal Local Housing Board shall have the following powers and functions:
- (a) Recommend to the sanggunian, when the financial resources of the LGU allow, the adoption of a socialized housing program targeting the lowest income earners of the local population through on-site housing development or relocation with sites and services development, core-housing construction, and with integrated livelihood development component;
- (b) Recommend policies on the prioritization, coordination, monitoring and evaluation of all housing programs and projects within its jurisdiction, including policies on the curtailment of the nefarious activities of professional squatters and squatting syndicates;

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- (c) Prepare, based on local shelter plan guidelines under the NUDHF and with the assistance of the HUDCC and other concerned government agencies, long-term, medium-term and short-term local shelter plans which shall form part of the city/municipal development plans: *Provided*, That public hearings shall be conducted for the purpose;
- (d) Recommend the designation of sites for socialized housing, subject to the requirements prescribed by Section 8 of Republic Act No. 7279 and the guidelines issued for the purpose, and ensure the conduct by the LGU of the inventory of all available lands within its locality and the updating of the same every three (3) years pursuant to Section 7 of Republic Act No. 7279 and its implementing guidelines;
- (e) Recommend, for approval of the sanggunian, formulated schemes for the acquisition and disposition of lands within the locality for socialized housing purposes, subject to Sections 9 to 14 of Republic Act No. 7279 and their implementing guidelines: *Provided*, That such schemes shall ensure that the valuation of a particular land for socialized housing purposes shall be within the affordability levels of prospective beneficiaries;
- (f) Recommend for approval of the local chief executive (LCE) partnership arrangements with the national government or the private sector and NGOs on, but not limited to, the following programs:
- (1) Housing production assistance, resettlement assistance, local housing, cost recoverable joint ventures and other relevant programs of the NHA;
- (2) Local government housing assistance programs of the Home Development Mutual Fund (HDMF), the National Home Mortgage Finance Corporation (NHMFC), the Home Guaranty Corporation (HGC), and for this purpose, the Local Housing Board shall coordinate with the Advisory

1 Committee created to oversee the implementation of the Local Government 2 Pabahay Program;

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- (3) Localized Community Mortgage Program of the Social Housing Finance Corporation;
- (4) Other socialized housing projects undertaken by other national government agencies and government-owned and -controlled corporations (GOCCs) within the locality; and
 - (5) Socialized housing projects of the private sector or NGOs.
- (g) Recommend to the sanggunian matters of local taxation which may affect the local government housing program, which includes, but shall not be limited to, the formulation of a socialized housing tax, idle lands tax, and an additional levy on the real property tax to constitute a Special Socialized Housing Fund (SSHF);
- (h) Approve preliminary and final subdivision schemes and development plans of all socialized housing projects as well as individual or group building occupancy permits covered by Batas Pambansa Blg. 220, entitled: "An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing Projects in Urban and Rural Areas from Those Provided under Presidential Decrees Numbered Nine Hundred Fifty-Seven, Twelve Hundred Sixteen, Ten Hundred Ninety-Six and Eleven Hundred Eighty-Five", and its implementing standards, rules and regulations;
- (i) Evaluate and resolve any opposition to the issuance of development permits for any of the projects stated in the immediately preceding subsection, in accordance with the law and the Rules of Procedure promulgated by the HLURB pursuant thereto;

(j) Designate at least one (1) representative to the local development council: *Provided*, That the representative is not already a member of the council;

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- (k) Submit to the President and the Congress of the Philippines, through the LCE, an annual report as provided in Section 41 of Republic Act No. 7279; and
- (1) Perform such other related functions established by law or ordinance, as necessary to implement the mandate of LGUs under Republic Act No. 7279.
- SEC. 8. Housing and Urban Development Officer, Qualifications. The housing and urban development policies, plans and programs formulated by the Local Housing Board shall be implemented by an appointive local official to be known as the Housing and Urban Development Officer.

No person shall be appointed Housing and Urban Development Officer unless he is a citizen of the Philippines, a resident of the LGU concerned, of good moral character, a holder of a college degree either in public administration, urban planning, development studies, economics, civil engineering, or other related course with special training in housing and urban development programs and management from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have an experience either in housing development projects, organization of housing associations, management and operation of housing and shelter programs or other related activities for at least five (5) years in the case of the City Housing and Urban Development Officer, and three (3) years in the case of Municipal Housing and Urban Development Officer.

The appointment of the Housing and Urban Development Officer shall be mandatory for all the LGUs covered under this Act: *Provided, however,* That cities and municipalities with existing Urban Poor Affairs Office or its

equivalent shall convert the same to the Office of the Housing and Urban Development Officer.

- SEC. 9. Duties and Functions of the Housing and Urban Development Officer. The Housing and Urban Development Officer shall:
- (a) Implement the local shelter plans prepared by the Local Housing Board;
- (b) Ensure the enforcement of laws, policies and programs on housing and shelter as provided for under laws and such directives, rules and regulations adopted by the Board;
- (c) Assist the city/municipal development council in the formulation of its comprehensive land use plans;
- (d) Ensure compliance with the balanced housing requirement as provided in Section 18 of Republic Act No. 7279 and its implementing rules and regulations;
- (e) Conduct an inventory of all lands within the locality, and update the same every three (3) years, in accordance with Section 7 of Republic Act No. 7279 and the guidelines issued for the purpose;
- (f) Identify the sites for socialized housing to be recommended by the Board for designation as such, subject to the requirements prescribed by Section 8 of Republic Act No. 7279 and the guidelines issued for the purpose;
- (g) In coordination with other concerned offices within the LGU, monitor the nature and progress of land development projects approved by the Board, as well as housing construction in the case of house and lot packages, to ensure their faithfulness to the approved plans and specifications thereof, and impose appropriate measures to enforce compliance therewith;
- (h) Ensure the registration of underprivileged and homeless urban or rural dwellers as socialized housing beneficiaries under Sections 16 and 17 of Republic Act No. 7279: *Provided*, That the Housing and Urban Development

Officer shall assume the functions of the city or municipal registration committee as constituted under the implementing rules and regulations of the same sections:

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- (i) Coordinate with government agencies and instrumentalities performing functions which may affect housing and urban development;
- (j) Promote the development and sustainability of housing associations and cooperatives within the locality by performing the following:
- (1) Assist in the organization of housing and shelter associations and cooperatives;
- (2) In coordination with the other concerned LGU offices, assist in the provision of technical and other forms of assistance to existing housing associations and cooperatives to enhance their viability as an economic enterprise and social organization;
- (3) Assist the housing associations or cooperatives in establishing linkages with government agencies and NGOs involved in the promotion and integration of the concept of shelter development and generation, taking into account the livelihood of the people and other community activities; and
- (4) Assist in the rehabilitation of or the viability-enhancement of housing associations or cooperatives, particularly in the aftermath of man-made and natural calamities and disasters, to aid in their survival; and
- (k) Perform such other duties and functions as may be prescribed by law or ordinance.
- SEC. 10. Generation and Mobilization of Resources. The Local Housing Board is Lereby constituted as the primary entity tasked to advise the sanggunian on matters of sourcing of funds for socialized housing. For this purpose, the Local Housing Board may recommend the following schemes for funding socialized housing projects:
 - (a) Build-operate-transfer and other related schemes;

(b) Bond flotation and other credit financing arrangements;

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- (c) Availment of foreign or local grants: *Provided,* That the Local Housing Board is hereby authorized to receive foreign and local grants which shall be remitted to the local treasury, and shall be credited to the socialized housing account of the LGU concerned;
 - (d) Loan packages from government financing/lending institutions;
- (e) Joint venture projects with private sector groups or developers and with NGOs and POs; and
- (f) Pooling of resources between and among LGUs, the private sector, NGOs and POs.
- SEC. 11. Demolition and Eviction Clearinghouse. The Local Housing Board is hereby tasked to oversee the implementation of Section 28 of Republic Act No. 7279 and its implementing rules and regulations: *Provided*, That just and humane eviction and demolition procedures are likewise made applicable to rural areas.

In this regard, the Local Housing Board shall:

- (a) Oversee and coordinate government activities relative to consultation, relocation and resettlement of underprivileged and homeless urban or rural poor dwellers in cases where evictions and demolitions affecting them are necessary and allowed by existing laws;
- (b) Recommend policy measures and/or undertake appropriate action to ensure full compliance with the constitutional mandate and statutory requirements prior to evictions and/or demolitions affecting underprivileged and homeless urban or rural poor dwellers; and
- (c) Issue directives, rules and regulations, consistent with laws, as it may deem necessary to effectively carry out the purposes of the constitutional mandate to ensure just and humane evictions and demolitions.

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SEC. 12. Compliance Report Before undertaking any eviction and/o
demolition that will affect underprivileged and homeless urban or rural poor
dwellers, the city or municipality concerned, national government agencies of
other proponents of eviction and/or demolition activities, including employee
of the judiciary, shall submit a compliance report to the Local Housing Board
with a statement under oath that:

- (a) Adequate consultation as defined and outlined under pertinent laws, rules and regulations have already been undertaken with the affected residents;
- (b) Adequate relocation as defined and outlined under pertinent laws, rules and regulations, is available, ready and sufficiently supported by relocation and resettlement funding; and
- (c) The requirements and procedures prescribed under the implementing rules and regulations of Section 28 of Republic Act No. 7279, specifically on the pre-relocation, relocation and post-relocation phases of eviction and/or demolition activities have been or shall be observed.

.The compliance report shall include a certified list of families to be evicted and/or relocated. The Local Housing Board shall have the power to review the compliance report and approve or disapprove the same.

SEC. 13. Meetings and Quorum. — The Local Housing Board shall meet at least once a month or as often as may be deemed necessary. The presence of the chairperson or the vice chairperson and a majority of the members of the Board shall constitute a quorum.

Special meetings may be called by the chairperson or by a majority of the members, with written notice, together with the agenda of the meeting, served upon each member at least one (1) day before the intended meeting.

The chairperson or, in his absence, the vice chairperson shall preside over the Board meetings.

SEC. 14. Compensation and Remuneration. — Members of the Local Housing Board who are not government officials or employees shall be entitled to the necessary travelling expenses and allowances chargeable against the funds of the Local Housing Board concerned, subject to existing accounting and auditing rules and regulations.

This does not preclude cities and municipalities from mobilizing other possible funding sources for the compensation and remuneration of members of the Local Housing Board who are not government officials or employees.

SEC. 15. Special Socialized Housing Fund. – Cities and municipalities shall establish a special account to be called the "Special Socialized Housing Fund" to be administered by the Board which shall serve as source of funds for the housing programs of the city/municipality for the underprivileged and homeless. Sources of said trust fund shall come from, but not limited to, the following:

- (a) An appropriation from the Internal Revenue Allotment the amount of which shall be determined by the LGU;
- (b) Proceeds generated from the collection of the additional one-half percent (0.5%) tax on real properties;
- (c) All funds/monies generated from various sources intended for housing and other related development programs; and
- (d) All payments, remittances, accrued interests, penalties and such other fees generated from housing related activities.
- SEC. 16. Roles of Stakeholders. In order to facilitate the work of the Board, the roles of the stakeholders shall be as provided for under this section:
- 26 (a) The LGU shall:

- (1) Identify and prioritize areas for housing development;
- (2) Plan on the total housing need of its constituents;

1	(3) Provide basic information relative to the areas that may be
2	proposed for issuance of Presidential Proclamation;
3	(4) Assist in the conduct of verification survey;
4	(5) Monitor and oversee the implementation of the activities in
5	accordance with their respective work programs; and
6	(6) Prepare the detailed work program for approved housing projects.
7	(b) The HUDCC shall:
8	(1) Recommend to the Board, options for the development of sites or
9	disposition schemes to the intended beneficiaries;
10	(2) Process and recommend to the President, idle or underutilized
1 1	government lands identified by the Board as sites which are suitable for
12	housing purposes;
13	(3) Solicit assistance from other national government agencies whose
14	functions and services are necessary in the provision of housing and delivery of
15	basic services;
16	(4) Through the NHA, prepare the master development plans of the
17	areas identified for housing;
18	(5) Identify and recommend housing projects/programs which can be
19	implemented and funded through alternative schemes; and
20	(6) Draw up guidelines as well as terms of reference to cover the
21	implementation of identified priority housing projects.
22	(c) The Presidential Commission for the Urban Poor shall:
23	(1) Monitor all evictions and/or demolitions, whether extrajudicial or
24	court-ordered, involving homeless and underprivileged citizens;
25 ₇₀	(2) Investigate motu proprio or upon complaint by any party, any
26	violation of the provisions of Section 28 of Republic Act No. 7279 and its
27	implementing rules and regulations;

1	(3) File motu proprio or by way of assistance to any aggrieved party
2	the appropriate criminal, civil or administrative case against any person or
3	persons found to have violated the provisions of Section 28 of Republic Act
4	No. 7279 or its implementing rules and regulations; and
5	(4) Such other functions as may be provided for under Executive Order
6	No. 1521, series of 2002.

(d) The PO and NGO representatives shall:

- (1) Assist in the holding of dialogues and consultations with affected families leading to their full acceptance and support to the program;
 - (2) Provide a feedback mechanism to the Board and ensure urban poor participation in the decision-making process;
 - (3) Assist the Board in processing applications and documents;
 - (4) Provide support to the Board in community relations, social preparation, information dissemination and motivation activities at the identified housing sites;
 - (5) Actively participate in the drawing up of the development plan for the area; and
 - (6) Identify pro-poor programs to uplift the socioeconomic conditions of the affected urban poor residents.
 - SEC. 17. Penalties. Failure to submit the compliance report as required by Section 12 of this Act, or any act of misrepresentation or fraud in connection with any information contained in a submitted compliance report, or the unjustified failure of or refusal by the LCE to constitute the Local Housing Board as created and defined by this Act, shall subject the national and local government officials and employees responsible for such omission, misrepresentation, fraud or unjustified failure or refusal to:
 - (a) Disciplinary action under Book 1, Title Two, Chapter 4 of the Local Government Code; and/or

. (b) Prosecution under the penalty clause of Republic Act No. 7279.

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For this purpose, the LCE of a city or municipality shall constitute such Local Housing Board within ninety (90) days from the promulgation of the implementing rules and regulations of this Act. Failure to constitute the Board within this prescribed period shall be *prima facie* evidence of unjustified failure or refusal to do so.

SEC. 18. Transitory Provisions. — Cities and municipalities with existing Local Housing and Urban Development Board or similar entity are hereby given ninety (90) days from the promulgation of the implementing rules and regulations of this Act within which to amend their respective ordinances to conform with the provisions of this Act: Provided, That nothing herein stated shall preclude cities and municipalities from assigning additional functions to the Board and/or appropriating additional funds to achieve the objectives of this Act: Provided, further, That the national government agencies may assist in the capability-building of the LGUs on matters of plan preparation, financing and housing regulation, especially in the performance of the tasks relative to paragraphs (h) and (i) of Section 7 hereof on the approval of schemes and development plans of subdivision, residential, commercial, industrial and other purposes.

SEC. 19. Implementing Rules and Regulations. — Within sixty (60) days after the approval of this Act, the HUDCC and the Department of the Interior and Local Government (DILG), in consultation with the concerned government agencies, the private sector, the League of Cities and Liz League of Municipalities, POs and NGOs, shall formulate the appropriate rules and regulations necessary to effectively implement the provisions of this Act. Such rules and regulations shall include, among others, guidelines on the following:

(a) Resource generation and mobilization for socialized housing purposes;

1	(b) Schemes for local government housing assistance; and
2	(c) Accreditation and selection of representatives of the private sector,
3	NGOs and POs to the Local Housing Board.
4	SEC. 20. Repealing Clause All pertinent provisions of the Local
5	Government Code and Executive Order No. 71, series of 1993, and all other
6	laws, decrees, executive orders, proclamations, rules and regulations and other
7	issuances, or part or parts thereof, which are inconsistent with the provisions of
8	this Act are hereby repealed, amended or modified accordingly.
9	SEC. 21. Separability Clause If, for any reason, any provision of this
10	Act is declared invalid or unconstitutional, the remaining provisions not
11	affected thereby shall continue to be in force and effect.
12	SEC. 22. Effectivity Clause This Act shall take effect fifteen (15)
13	days after its publication in the Official Gazette or in at least two (2)
14	newspapers of general circulation.

Approvèd,