

March 24, 1992

REPUBLIC ACT NO. 7279

AN ACT TO PROVIDE FOR A COMPREHENSIVE AND CONTINUING URBAN DEVELOPMENT AND HOUSING PROGRAM, ESTABLISH THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

ARTICLE I

TITLE, POLICY, PROGRAM AND DEFINITION OF TERMS

SECTION 1. *Title*, - This Act shall be known as the "Urban Development and Housing Act of 1992."

SECTION 2. *Declaration of State Policy and Program Objectives*. – It shall be the policy of the State to undertake, in cooperation with the private sector, a comprehensive and continuing Urban Development and Housing Program, hereinafter referred to as the Program which shall:

- (a) Uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to them decent housing at affordable cost, basic services, and employment opportunities;
- (b) Provide for the rational use and development of urban land in order to bring about the following:
 - (1) Equitable utilization of residential lands in urban and urbanizable areas with particular attention to the needs and requirements of the underprivileged and homeless citizens and not merely on the basis of market forces;
 - (2) Optimization of the use and productivity of land and urban resources;
 - (3) Development of urban areas conducive to commercial and industrial activities which can generate more economic opportunities for the people;
 - (4) Reduction in urban dysfunction particularly those that adversely affect public health, safety and ecology; and
 - (5) Access to land and housing by the underprivileged and homeless citizens;

- (c) Adopt workable policies to regulate and direct urban growth and expansion towards a dispersed urban net and more balanced urban-rural interdependence;
- (d) Provide for an equitable land tenure system that shall guarantee security of tenure to Program beneficiaries but shall respect the rights of small property owners and ensure the payment of just compensation;
- (c) Encourage more effective people's participation in the urban development process; and
- (f) Improve the capability of local government units in undertaking urban development and housing programs and projects.

SECTION 3. *Definition of Terms.* - For purposes of this Act:

- (a) "Affordable cost" refers to the most reasonable price of land and shelter based on the needs and financial capability of Program beneficiaries and appropriate financing schemes;
- (b) "Areas for priority development" refers to those areas declared as such under existing statutes and pertinent executive issuances. .
- (c) "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.
- (d) "Consultation" refers to the constitutionally mandated process whereby the public, on their own or through people's organizations, is provided an opportunity to be heard and to participate in the decision-making process on matters involving the protection and promotion of its legitimate collective interest, which shall include appropriate documentation and feedback mechanisms;
- (e) "Idle lands" refers to non-agricultural lands urban and urbanized areas on which no improvements, as herein defined, have been made by the owner, as certified by the city, municipal or provincial assessor;
- (f) "Improvements" refers to all types of buildings and residential units, walls, fences, structures or constructions of all kinds of a fixed character or which are adhered to the soil but shall not include trees, plants and growing fruits, and other fixtures that are mere superimpositions on the land, and the value of improvements shall not be less than fifty percent (50%) of the assessed value of the property.'

- (g) "Joint venture" refers to the commitment or agreement by two (2) or more persons to carry out a specific or single business enterprise for their mutual benefit, for which purpose they combine their funds, land resources, facilities and services;
- (h) "Land assembly or consolidation" refers to the acquisition of lots of varying ownership through purchase or expropriation of the purpose of planned and rational development and socialized housing programs without individual property boundary restrictions;
- (i) "Land banking" refers to the acquisition of land at values based on existing use in advance of actual need to promote planned development and socialized housing programs;
- (j) "Land swapping" refers to the process of land acquisition by exchanging land for another piece of land of equal value, or for shares of stock in a government or quasi-government corporation whose book value is of equal value to the land being exchanged, for the purpose of planned and rational development and provision for socialized housing where land values are determined based on land classification, market value and assessed value taken from existing tax declarations: *Provided*, That more valuable lands owned by private persons may be exchanged with less valuable lands to carry out the objectives of this Act;
- (k) "Land use plan" refers to the rational approach of allocating available resources as equitably as possible among competing user groups and for different functions consistent with the development plan of the area and the Program under this Act;
- (l) "On-site development" refers to the process of upgrading and rehabilitation of blighted slum urban areas with a view of minimizing displacement of dwellers in said areas, and with provisions for basic services as provided for in Section 21 hereof.
- (m) "Professional squatters" refers to individuals or groups who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term shall also apply to persons who have previously been awarded homelots or housing units by the Government but who sold, leased or transferred the same to settle illegally in the same place or in another urban area, and non-bona fide occupants and intruders of lands reserved for socialized housing. The term shall not apply to individuals or

groups who simply rent land and housing from professional squatters or squatting syndicates;

- (n) "Resettlement areas" refers to areas identified by the appropriate national agency or by the local government unit with respect to areas within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens;
- (o) "Security of tenure" refers to the degree of protection afforded to qualified Program beneficiaries against infringement or unjust, reasonable and arbitrary eviction or disposition, by virtue of the right of ownership, lease agreement, usufruct and other contractual arrangements;
- (p) "Slum Improvement and Resettlement Program or SIR" refers to the program of the National Housing Authority of upgrading and improving blighted squatter areas outside of Metro Manila pursuant to existing statutes and pertinent executive issuances;
- (q) "Small property owners" refers to those whose only real property consists of 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;
- (r) "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 this Act;
- (s) "Squatting syndicates" refers to groups of persons engaged in the business of squatter housing for profit or gain;
- (t) "Underprivileged and homeless citizens" refers to the beneficiaries of this Act and to individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority and who do not own housing facilities This shall include those who live in makeshift dwelling units and do not enjoy security of tenure;
- (u) "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 that has been abandoned by reason *offorce majeure* or any other fortuitous event: *Provided*, That prior to such event, such land was previously used for some useful or economic purpose;

- (v) "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;
- (w) "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
- (x) "Zonal Improvement Program or ZIP" refers to the program of the National Housing Authority of upgrading and improving blighted squatters areas within the cities and municipalities of Metro Manila pursuant to existing statutes and pertinent executive issuances.

ARTICLE 11

COVERAGE AND EXEMPTIONS

SECTION 4. *Coverage.* - The Program shall cover all lands in urban and urbanizable areas, including existing areas for priority development sites, and in other areas that may be identified by the local government units as suitable for socialized housing.

SECTION 5. *Exemptions.* - The following lands shall be exempt from the coverage of this Act:

- (a) Those included in the coverage of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law;
- (b) Those actually used for national defense and security of the State;
- (c) Those used, reserved or otherwise set aside for government offices, facilities and other installations, whether owned by the National Government, its agencies and instrumentalities, including government-owned or-controlled corporations, or by the local government units: *Provided, however*, That the lands herein mentioned, or portions thereof, 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, shall be covered by this Act;

- (d) Those used or set aside for parks, reserves for flora and fauna, forests and watersheds, and other areas necessary to maintain ecological balance or environmental protection, as determined and certified to by the proper government agency; and
- (c) Those actually and primarily used for religious, charitable, or educational purposes, cultural and historical sites, hospitals and health centers, and cemeteries or memorial parks.

The exemptions herein provided shall not apply when the use or purpose of the abovementioned lands has ceased to exist.

ARTICLE 111

NATIONAL URBAN DEVELOPMENT AND HOUSING FRAMEWORK

SECTION 6. *Framework for Rational Development.* - There shall be a National Urban Development and Housing Framework to be formulated by the Housing and Land Use Regulatory Board under the direction of the Housing and Urban Development Coordinating Council in coordination with all local government units and other concerned public and private sectors within one (1) year from the effectivity of this Act.

The framework shall refer to the comprehensive plan for urban and urbanizable areas aimed at achieving the objectives of the Program. In the formulation of the Framework, a review and rationalization of existing town and land use plans, housing programs, and all other objectives and activities of government agencies and the private sectors which may substantially affect urban land use patterns, transportation and public utilities, infrastructure, environment and population movement shall be undertaken with the concurrence of the local government units concerned.

ARTICLE IV

LAND USE, INVENTORY, ACQUISITION AND DISPOSITION

SECTION 7. *Inventory of Lands.* - Within one (1) year from the effectivity of this Act, all city and municipal governments shall conduct an inventory of all kinds and improvements thereon within their respective localities. The inventory shall elude 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 local government units concerned, in coordination with the Housing and Land Use Regulatory Board and with the assistance of the appropriate 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 shall be furnished by each local government unit a copy of its inventory which shall be updated every three (3) years.

SECTION 8. *Identification of Sites for Socialized Housing.* - After the inventory the local government units, in coordination with the National Housing Authority, the Housing and Land Use Regulatory Board, the National Mapping Resource Information Authority, and the Land Management Bureau, shall identify lands for socialized housing and resettlement areas for the immediate and future needs of the underprivileged and homeless in the urban areas, taking into consideration and degree of availability of basic services and facilities, their accessibility and proximity of jobs sites and other economic opportunities, and the actual number of registered beneficiaries.

Government-owned lands under paragraph (b) of the preceding section 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 National Housing Authority subject to the approval of the President of the Philippines or by the local government unit concerned, as the case may be, for proper disposition in accordance with this Act.

SECTION 9. *Priorities in the Acquisition of Land.* - 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
- (I) Privately owned lands.

Where open-site development is found more practicable and advantageous to the beneficiaries, the priorities mentioned in this section shall not apply. The local government units shall give budgetary priority to on-site development of government lands.

SECTION 10. *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 models 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.

For the purpose of socialized housing, government-owned and foreclosed properties shall be acquired by the local government units, or by the National Housing Authority primary through negotiated purchase: *Provided,* That qualified beneficiaries who are actual occupants of the land shall be given the right of first refusal.

SECTION 11. *Expropriation of Idle Lands.* - All idle lands in urban and urbanizable areas, as defined and identified in accordance with this Act, shall be expropriated and shall form part of the public domain. These lands shall be disposed of or utilized by the Government for such purposes that conform with their land use plans. Expropriation proceedings shall be instituted if, after the lapse of one (1) year following receipt of notice of acquisition, the owner fails to introduce improvements as defined in Section 3(f) hereof, except in the case of *force majeure* and other fortuitous events. Exempted from this provision, however, are residential lands owned by small property owners or the ownership of which is subject of a pending litigation.

SECTION 12. *Disposition of Lands for Socialized Housing* – The National Housing Authority, with respect to lands belonging to the National Government, and the local government units with respect to other lands within their respective localities, shall coordinate with each other to formulate and make available various alternative schemes for the disposition

of lands to the beneficiaries of the Program. These schemes shall not be limited to those involving transfer of ownership in fee simple but shall include lease, with option to purchase, usufruct or such other variations as the local government units or the National Housing Authority may deem most expedient in carrying out the purposes of this Act.

Consistent with this provision, a scheme for public rental housing may be adopted.

SECTION 13. *Valuation of Lands, for Socialized Housing.* - 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 site already occupied by qualified Program beneficiaries, the Department of Finance shall factor into the valuation the blighted status of the lands as certified by the local government unit or the National Housing Authority.

SECTION 14. *Limitations on the Disposition of Lands, for Socialized Housing.* - 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 lot or any right thereon, the transaction shall be null and void. He shall also lose his 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.

In the event the beneficiary dies before full ownership of the land is vested on him, transfer to his heirs shall take place only upon their assumption of his 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.

ARTICLE V

SOCIALIZED HOUSING

SECTION 15. *Policy.* – Socialized housing, as defined in Section 3 hereof, shall be the primary strategy in providing shelter for the underprivileged and homeless. However, if the tenurial arrangement in a particular socialized housing program is in the nature of leasehold or usufruct, the same shall be transitory and the beneficiaries must be encouraged to become independent from the Program within a given period of time, to be determined by the implementing agency concerned.

SECTION 16. *Eligibility Criteria for Socialized Housing Program Beneficiaries.* - To qualify for the socialized housing program, a beneficiary:

- (a) Must be a Filipino citizen;
- (b) Must be an underprivileged and homeless citizen, as defined in Section 3 of this Act;
- (c) Must not own any real property whether in the urban or rural areas; and
- (d) Must not be a professional squatter or a member of squatting syndicates.

SECTION 17. *Registration of Socializing Housing Beneficiaries.* - The Housing and Urban Development Coordinating Council, in coordination with the local government units, shall design a system for the registration of qualified Program beneficiaries in accordance with the Framework. The local government units, within one (1) year from the effectivity of this Act, shall identify and register all beneficiaries within their respective localities.

SECTION 18. *Balanced Housing Development.* - The Program shall include a system to be specified in the Framework plan 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 standards set by the Housing and Land Use Regulatory Board and other existing laws. The balanced housing development as herein required may also be complied with by the developers concerned in any of the following manner:

- (a) Development of new settlement;
- (b) Slum upgrading or renewal of areas for priority development either through zonal improvement programs or slum improvement and resettlement programs;
- (c) Joint-venture projects with either the local government units or any of the housing agencies; or
- (d) Participation in the community mortgage program.

SECTION 19. *Incentives for the National Housing Authority.* - The National Housing Authority, being the primary government agency in charge of providing housing for the underprivileged and homeless, shall be exempted from the payment of all fees and charges of any kinds, whether local or national, such as income and real taxes. All documents or contracts executed by and in favor of the National Housing Authority shall also be exempt from the

payment of documentary stamp tax and registration fees, including fees required for the issuance of transfer certificates of titles.

SECTION 20. *Incentives for Private Sector Participating in Socialized Housing.* -

To encourage greater private sector participation in socialized housing and further reduce the cost of housing units for the benefit of the underprivileged and homeless, 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:
 - (1) Project-related income taxes;
 - (2) Capital gains tax on raw lands used for the project;
 - (3) Value-added tax for the project contractor concerned;
 - (4) Transfer tax for both raw completed projects; and
 - (5) Donor's tax lands certified by the local government units to have been donated to socialized housing purposes.

Provided, That upon application for exemption, a lien on the title of the land shall be annotated by the Register of Deeds: *Provided, further, That* the socialized housing development plan has already been approved by the appropriate government agencies concerned: *Provided, finally, That* all the savings acquired by virtue of this provision shall accrue in favor of the beneficiaries subject to the implementing guidelines to be issued by the Housing and Urban Development Coordinating Council.

Appropriate implementing guidelines shall be prepared by the Department of Finance, in consultation with the Housing and Urban Development Coordinating Council, for the proper

implementation of the tax exemption mentioned in this section within one (1) year after the approval of this Act.

Property owners who voluntarily provide resettlement sites to illegal occupants of their lands shall be entitled to a tax credit equivalent to the actual non-recoverable expenses incurred in the resettlement, subject to the implementing guidelines jointly issued by the Housing and Urban Development Coordinating Council and the Department of Finance.

SECTION 21. *Basic Services.* - Socialized housing or resettlement areas shall be provided by the local government unit or the National Housing Authority in cooperation with the private developers and concerned agencies with 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 provisions 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 local government unit and concerned agencies in cooperation with the private sector and the beneficiaries themselves.

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

SECTION 22. *Livelihood Component.* - To extent feasible, socialized housing and resettlement projects shall be located near areas where employment opportunities are accessible. The government agencies dealing with the development of livelihood programs and grant of livelihood loans shall give priority to the beneficiaries of the Program.

SECTION 23. *Participation of Beneficiaries.* - The local government units, in, coordination with the Presidential Commission for the Urban Poor and concerned government agencies, shall afford Program beneficiaries or their duly designated representatives an opportunity to be heard and to participate in the decision-making process over matters involving the protection and promotion of their legitimate collective interest which shall include appropriate documentation and feedback mechanisms. They shall also be encouraged to

organize themselves and undertake self-help cooperative housing and other livelihood activities. They shall assist the Government in preventing the incursions of professional squatters and members of squatting syndicates into their communities.

In instances when the affected beneficiaries have failed to organized themselves or form an alliance within a reasonable period prior to the implementation of the program of projects affecting them, consultation between the implementing agency and the affected beneficiaries shall be conducted with the assistance of the Presidential Commission for the Urban Poor and the concerned nongovernment organization.

SECTION 24. *Consultation with Private Sector.* - Opportunities for adequate consultation shall be accorded to the private sector involved in socialized housing project pursuant to this Act.

ARTICLE VI

AREAS FOR PRIORITY DEVELOPMENT, ZONAL IMPROVEMENT PROGRAM SITES AND SLUM IMPROVEMENT AND RESETTLEMENT PROGRAMS SITES

SECTION 25. Benefits – In addition to the benefits provided under existing laws and other related issuance to occupants of areas for priority development, zonal improvement program sites and slum improvement and resettlement program sites, such occupants shall be entitled to priority all government projects initiated pursuant to this Act. They shall also be entitled to the following support services:

- (a) Land surveys and titling at minimal cost;
- (b) Liberalized terms on credit facilities and housing loans and one hundred percent (100%) deduction from every homebuyer's gross income tax of all interest payments made on documents loans incurred for the construction or purchase of the homebuyer's house;
- (c) Exemption from the payment of documentary stamps tax, registration fees, and other fees for the issuance of transfer certificate of titles;
- (d) Basic services as provided for in Section 21 of this Act; and
- (c) Such other benefits that may arise from the implementation of this Act.

ARTICLE VII

URBAN RENEWAL AND RESETTLEMENT

SECTION 26. *Urban Renewal and Resettlement.* - This shall include the rehabilitation and development of blighted and slum areas and the resettlement of Program beneficiaries in accordance with the provisions of this Act. On-site development shall be implemented whenever possible in order to ensure minimum resettlement of the beneficiaries of the Program from their existing places of occupancy shall be undertaken only when on-site development is not feasible and after compliance with the procedures laid down in Section 28 of this Act.

SECTION 27, *Action Against Professional squatters and Squatting ,Syndicates.* - The local government units, in cooperation with the Philippine National Police, the Presidential Commission for the Urban Poor (PCUP), and the PCUP-accredited urban poor organization in the area, shall adopt measures to identify and effectively curtail the nefarious and illegal activities of professional squatters and squatting syndicates, as herein defined.

Any person or group identified as such 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.

For purposes of this Act, professional squatters or members of squatting syndicates shall be imposed the penalty of six (6) years imprisonment of a fine of not less than Sixty thousand pesos (P60,000.00) but not more than One hundred thousand pesos (P 100,000), or both, at the discretion of the court.

SECTION 28. *Eviction and Demolition.* - Eviction or demolition as a practice shall be discouraged. Eviction or demolition, however, may be allowed under the following situations:

- (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 involving underprivileged and homeless citizens, the following shall be mandatory:

- (1) Notice upon the effected persons or entities at least thirty (30) days prior to the date of eviction or demolition;

- (2) Adequate consultations on the matter of settlement with the duly designated representatives of the families to be resettled and the affected communities in the areas where they are to be relocated;
- (3) Presence of local government officials or their representatives during eviction or demolition;
- (4) Proper identification of all persons taking part in the demolition;
- (5) Execution of eviction or demolition only during regular office hours from Mondays to Fridays and during good weather, unless the affected families consent otherwise;
- (6) No use of heavy equipment for demolition except for structures that are permanent and have concrete materials;
- (7) Proper uniforms for members of the Philippine National Police who shall occupy the first line of law enforcement and observe proper disturbance control procedures; and
- (8) Adequate relocation, whether temporary or permanent: *Provided, however,* That in cases of eviction and demolition pursuant to a court order involving underprivileged and homeless citizens, relocation shall be undertaken by the local government unit concerned and the National Housing Authority with the assistance of other government agencies within forty-five (45) days from service of notice of final judgement by the court, after which period the said order shall be executed: *Provided, further,* That 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 local government unit concerned.

This Department of the Interior and Local Government and the Housing and Urban Development Coordinating Council shall jointly promulgate the necessary rules and regulations to carry out the above provision.

SECTION 29. *Resettlement.* - With two (2) years from the effectivity of this Act, the local government units, in coordination with the National Housing Authority, shall implement the relocation and resettlement of persons living in danger areas such as esteros, railroad tracks,

garbage dumps, riverbanks, shorelines, waterways, and in other public places as sidewalks, roads, parks, and playgrounds. The local government unit, in coordination with the National Housing Authority, shall provide relocation or resettlement sites with basic services and facilities and access to employment and livelihood opportunities sufficient to meet the basic needs of the affected families.

SECTION 30. *Prohibition Against New Illegal Structures.* – It shall be unlawful for any person to construct any structure in areas mentioned in the preceding section.

After the effectivity of this Act, the barangays, municipal or city government units shall prevent the construction of any kind of illegal dwelling units of structures within their respective localities. The head of any local government unit concerned who allows, abets or otherwise tolerates the construction of any structure in violation of this section shall be liable to administrative sanctions under existing laws and to penal sanctions provided for in this Act.

ARTICLE VIII

COMMUNITY MORTGAGE PROGRAM

SECTION 31. *Definition.* - The Community Mortgage Program (CMP) is a mortgage financing program of the National Home Mortgage Finance Corporation which assists legally organized associations of underprivileged and homeless citizens to purchase and develop a tract of land under the concept of community ownership. The primary objective of the program is to assist residents of blighted or depressed areas to own the lots they occupy, or where they choose to relocate to, and eventually improve their neighbourhood and homes to the extent of their affordability.

SECTION 32. *Incentives.* - To encourage its wider implementation, participants in the CMP shall be granted with the following privileges or incentives:

- (a) Government-owned or -controlled corporations and local government units, may dispose of their idle lands suitable for socialized housing under the CMP through negotiable sale at prices based on acquisition cost plus financial carrying costs;
- (b) Properties sold under the CMP shall be exempted from the capital gains tax; and
- (c) Beneficiaries under the CMP shall not be evicted nor dispossessed of their lands or improvements unless they have incurred arrangements in payments of amortization for three (3) months.

SECTION 33. *Organization of Beneficiaries.* - Beneficiaries of the Program shall be responsible for their organization into associations to manage their subdivisions or places of residence, to secure housing loans under existing Community Mortgage Program and such other projects beneficiaries to them. Subject to such rules and regulations to be promulgated by the National Home Mortgage Finance Corporation, associations organized pursuant to this Act may collectively acquire and own lands covered by this Program. Where the beneficiaries fail to form an association by and among themselves, the National Home Mortgage Finance Corporation shall initiate the organization of the same in coordination with the Presidential Commission for the Urban Poor and the local government units concerned. No person who is not a bona fide resident of the area shall be a member or officer of such association.

ARTICLE IX

RELATED STRATEGIES

SECTION 34. *Promotion of Indigenous Housing Materials and Technologies.* - The local government units, in cooperation with the National Housing Authority, Technology and Livelihood Resource Center, and other concerned agencies, shall promote the production and use of indigenous, alternative, and low-cost construction materials and technologies for socialized housing.

SECTION 35. *Transport System.* - The local government units, in coordination with the Departments of Transportation and Communications, Budget and Management, Trade and Industry, Finance, and Public Works and Highways, the Home Insurance Guaranty Corporation, and other concerned government agencies, shall devise a set of mechanisms including incentives to the private sector so that a viable transport system shall evolve and develop in the urban areas. It shall also formulate standards designed to attain these objectives:

- (a) Smooth flow of traffic;
- (b) Safety and convenience of travel;
- (c) Minimum use of land space;
- (d) Minimum damage to the physical environment; and
- (e) Adequate and efficient transport service to the people and goods at minimum cost.

SECTION 36. *Ecological Balance.* - The local government units shall coordinate with the Department of Environment and Natural Resources in taking measures that will plan and regulate urban activities for the conservation and protection of vital, unique and sensitive ecosystems, scenic landscapes, cultural sites and other similar resource areas.

To make the implementation of this function more effective, the active participation of the citizenry in environmental rehabilitation and in decision-making process shall be promoted and encouraged. The local government units shall recommend to the Environmental and Management Bureau the immediate closure of factories, mines and transport companies which are found to be causing massive pollution.

SECTION 37. *Population Movements.* - The local government units shall set up an effective mechanism, together with the appropriate agencies like the Population Commission, the National Economic and Development Authority and the National Statistics Office, to monitor trends in the movements of population from rural to urban, urban to urban, and urban to rural

areas. They shall identify measures by which such movements can be influenced to achieve balance between urban capabilities and population, to direct appropriate segments of the population into areas where they can have access to opportunities to improve their lives and to contribute to national growth and recommend proposed legislation to Congress, if necessary.

The Population Commission, the National Economic and Development Authority, and the National Statistics Office shall likewise provided advanced planning information to national and local government planners on population projections and the consequent level of services needed in particular urban and urbanizable areas. This service will include early-warning systems on expected dysfunctions in a particular urban area due to population increases, decreases, or age structure changes.

SECTION 38. *Urban-rural Interdependence.* - To minimize rural to urban migration and pursue urban decentralization, the local government units shall coordinate with the National Economic and Development Authority and other government agencies in the formulation of national development programs that will stimulate economic growth and promote socio-economic development in the countryside.

ARTICLE X PROGRAM IMPLEMENTATION

SECTION 39. *Role of Local Government Units.* - The local government units shall be charged with the implementation of this Act in their respective localities, in coordination with the Housing and Urban Development Coordinating Council, the national housing agencies, the Presidential Commission for the Urban Poor, the private sector and other non-government organizations.

They shall prepare a comprehensive land use plan for their respective localities in accordance with the provisions of this Act.

SECTION 40. *Role of Government Housing Agencies.* - In addition to their respective existing powers and functions, and those provided for in this Act, the hereunder mentioned housing agencies shall perform the following:

- (a) The Housing and Urban Development Coordinating Council shall, through the key housing agencies, provide local government units with necessary support such as:
 - (1) Formulation of standards and guidelines as well as providing technical support in the preparation of town and land use plans;

- (2) In coordination with the National Economic and Development Authority and the National Statistics Office, provide data and information for forward-planning by the local government units 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; and .
- (3) Assistance in obtaining funds and other resources needed in the urban development and housing programs in their areas of responsibility.
- (b) The National Housing Authority, upon request of local government units, shall provide technical and other forms of assistance in the implementation of their respective urban development and housing programs with the objective of augmenting and enhancing local government capabilities in the provision of housing benefits to their constituents;
- (c) The National Home Mortgage Finance Corporation shall administer the Community Mortgage Program under this Act and promulgate rules and regulations necessary to carry out the provisions of this Act; and
- (d) The Home Insurance Guaranty Corporation shall design an appropriate guarantee scheme to encourage financial institutions to go into direct lending for housing.

SECTION 41. *Annual Report*, - The Housing and Urban Development Coordinating Council and the local government units 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.

ARTICLE XI

FUNDING

SECTION 42. *Funding*. - Funds for the urban development and housing program shall come from the following sources:

- (a) A minimum of fifty percent (50%) from the annual net income of the Public Estate Authority, to be used by the National Housing Authority to carry out its programs of land acquisition for resettlement purposes under this Act;

- (b) Proceeds from the disposition of ill-gotten wealth, not otherwise previously set aside for any other purpose, shall be applied to the implementation of this Act shall be administered by the National Home Mortgage Finance Corporation;
- (c) Loans, grants, bequests and donations, whether from local or foreign sources;
- (d) Flotation of bonds, subject to the guidelines to be set by the Monetary Board;
- (c) Proceeds from the social housing tax and, subject to the concurrence of the local government units concerned, idle lands tax as provided in Section 236 of the Local Government Code of 1991 and other existing laws;
- (f) Proceeds from the date or disposition of alienable public lands in
- (g) Domestic and foreign investment or financing through appropriate arrangements like the build-operate-and-transfer scheme.

SECTION 43, *Socialized Housing Tax*. - Consistent with the constitutional principle that the ownership and enjoyment of property bear a social function and to raise funds for the Program, all local government units are hereby authorized to impose an additional one-half percent (0.5%) tax on the assessed value of all lands in urban areas in excess of Fifty thousand pesos (P50,000).

ARTICLE XII

TRANSITORY PROVISIONS

SECTION 44. *Moratorium on Eviction and Demolition*. - There shall be a moratorium on the eviction of all program beneficiaries and on the demolition of their houses or dwelling units for a period of three (3) years from the effectivity of this Act: *Provided*, That the moratorium shall not apply to those persons who have constructed their structures after the effectivity of this Act and for cases enumerated in Section 28 hereof.

ARTICLE XIII

COMMON PROVISIONS

SECTION 45. *Penalty Clause*. - y person who violates any provision of this Act shall be imposed the penalty of not more than six (6) years of imprisonment or a fine of not less than Five thousand pesos (P5,000) but not more than One hundred thousand pesos (PIOO,000), or both, at the discretion of the court: *Provided*, That, if the offender is a corporation, partnership, association or other juridical entity, the penalty shall be imposed on the officer or officers of said co oration, partnership, association or juridical entity who caused the violation.

SECTION 46. *Appropriations.* - The amount necessary to carry out the purposes of this Act shall be included in the annual budget of implementing agencies the General Appropriations Act of the year following its enactment into law and every year thereafter.

SECTION 47. *Separability Claus.* - If for any reason, any provision of this Act shall be included in the annual budget of implementing agencies in the General Appropriations Act of the year following its enactment into law and every year thereafter.

SECTION 48. *Repealing Clause.* - All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly. ,

SECTION 49. *Effectivity Clause.* - This Act shall take effect upon its publication in at least two (2) national newspapers of general circulation.

Approved: March 24, 1992

November 23, 1999

EXECUTIVE ORDER NO. 178

CREATING THE NATIONAL POLICE TASK FORCE ON PROFESSIONAL SQUATTERS AND SQUATTING SYNDICATES

WHEREAS, Sec. 27 of R.A. 7279 or the "Urban Development and Housing Act" (UDHA) provides that all local government units, in cooperation with the Philippine National Police (PNP), the Presidential Commission for the Urban Poor (PCUP) and PCUP-accredited urban poor organization in the area, shall adopt measures to identify and effectively stall the nefarious and illegal activities of professional squatters and squatting syndicates;

WHEREAS, Executive Order No. 129 dated 15 October 1993 entitled "Establishing an Institutional Mechanism to Curtail the Activities of Professional Squatting Syndicates and Professional Squatters and Intensifying the Drive Against Them" created the National Committee Against Squatting Syndicates and Professional Squatters to serve as an oversight, coordinative and recommendatory body relative to the implementation of the UDRA provisions on squatting syndicates and professional squatters;

WHEREAS, Executive Order No. 129 dated 15 October 1993 likewise created the Local Committee Against Squatting Syndicates and Professional Squatters to serve as the implementing arm of the National Committee Against Squatting Syndicates and Professional Squatters at the local levels;

WHEREAS, Executive Order No. 159 dated 12 October 1999 declared mass housing as the centerpiece program of the Estrada Administration and directed the fasttracked implementation of mass housing projects which will address the housing needs of the poor;

WHEREAS, the proliferation of professional squatters and squatting syndicates in urban centers nationwide hamper the effective implementation of the government's mass housing programs; and,

WHEREAS, there is need to strengthen the capability of local government units to effectively curtail the operations of professional squatters and squatting syndicates.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by Law do hereby order:

SECTION 1. *Creation of the National Police Task Force to Apprehend Squatting Syndicates and Professional Squatters.* - There is hereby created a National Police Task Force on Squatting Syndicates and Professional Squatters hereinafter referred to as the "Task Force," to vigorously pursue the apprehension and prosecution of professional squatters and squatting syndicates nationwide.

The Task Force shall be chaired by the Chief, Philippine National Police (PNP) and shall be composed of elements of various law enforcement agencies/entities as may be identified by the Chairman.

SECTION 2. *Functions.* - In coordination with the National Committee Against Squatting Syndicates and Professional Squatters, the Task Force shall:

- a. Initiate the identification of professional squatters and squatting syndicates including the names of public officials and/or private individuals or companies abetting or tolerating the commission of the act;
- b. Conduct surveillance activities to check and verify initial intelligence information gathered concerning the identities of suspected professional squatters and squatting syndicates including the names of public officials and/or private individuals abetting or tolerating the commission of the act;
- c. Closely coordinate with the Prosecutor's office and the concerned local government units in gathering evidence, as well as testify during court proceedings to ensure the speedy prosecution of identified professional squatters and squatting syndicates;
- d. Provide police protection to victims of squatter syndicates and professional squatters, including the rightful beneficiaries of the government's housing program, who may have been victimized in various forms such as collection of exorbitant fees, issuance of fake titles, sowing disinformation;
- e. Direct local police chiefs, through the PNP regional directors, to extend full support and assistance to the Local Committee Against Squatting Syndicates and Professional Squatters created pursuant to Executive Order No. 129, in line with the intensified drive against squatting syndicates and professional squatters;
- f. Submit regular report on its activities and accomplishments to the President, through the Presidential Commission on Mass Housing (PCMH); and,
- g. Perform such other functions as may be directed by the President.

SECTION 3. *Repealing Clause.* - All executive orders, rules, regulations and other issuances or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 4. *Effectivity.* - This Executive Order shall take effect immediately.

Done in the City of Manila, this 23rd day of November, in the year of our Lord, nineteen hundred and ninety-nine.

October 15, 1993

EXECUTIVE ORDER NO. 129

**ESTABLISHING AN INSTITUTIONAL MECHANISM TO CURTAIL THE
ACTIVITIES OF PROFESSIONAL SQUATTING SYNDICATES AND
PROFESSIONAL SQUATTERS AND INTENSIFYING THE DRIVE AGAINST
THEM**

WHEREAS, it is imperative to arrest the proliferation of squatters in the urban areas, which is aggravated by the activities of squatting syndicates;

WHEREAS, there is a need to effect the identification and registration of the rightful beneficiaries of the Urban Development and Housing Act (UDI-IA), who will be affected by the urgent infrastructure projects of government as against professional squatters and squatting syndicates;

WHEREAS, UDHA mandates the Local Government Units (LGUs), the Department of Interior and Local Government (DILG), and the Presidential Commission for the Urban Poor (PCUP) to identify and effectively curtail the nefarious and illegal activities to professional squatters and squatting syndicates, as well as to implement relocation and resettlement procedures;

WHEREAS, there is a need to protect the rightful beneficiaries of the UDHA from the squatter syndicates and professional squatters, who continuously prey on and victimize the former by sowing disinformation, collecting fees, and inflicting harassment;

WHEREAS, it is imperative to establish a mechanism that shall ensure compliance with the provisions of the UDHA and its implementing rules and regulations relative to demolition and eviction.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. *Definition of Terms.*

In accordance with the Urban Development Housing Act of 1992 (RA 7279) the following are hereby defined:

- 1.1 "Professional Squatters" refers to individuals or groups who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term shall also apply to persons, who have previously been awarded homelots or housing units by the Government but who sold, leased or transferred the same and settled illegally in the same place or in another urban area, and non-bonafide occupants and intruders of lands reserved for socialized housing. The term shall not apply to individuals or groups, who simply rent land and housing from professional squatters or squatting syndicates.
- 1.2 Squatting syndicates refers to groups of persons engaged in the illegal business of squatter housing for profit or gain.

SECTION 2. *Creation of Committee Against Squatting Syndicates and Professional Squatters.* -

2.1. National Committee

2.1.1 A National Committee Against Squatting Syndicates and Professional Squatters is hereby created composed of the following:

- a. Department of Interior and Local Government (DILG)
- b. Housing and Urban Development Coordinating Council (HUDCC)
- c. Department of Justice (DOJ)
- d. Presidential Commission for the Urban Poor (PCUP)
- e. Philippine National Police (PNP)
- f. National Bureau of Investigation (NBI)
- g. Representative of PCUP accredited National Urban Poor Organization
- h. Representative of a Non-Government Organization

DILG shall be the Chairman, HUDCC as co-chairman, and the remaining agencies as Members.

2.1.2 The Committee shall have the following functions:

- a. Oversee and coordinate government activities relative to the intensified drive against professional squatters and squatting syndicates.
- b. Recommend appropriate measures/actions to curtail the activities of professional squatters and squatting syndicates.
- c. Provide assistance to local government units in the implementation of UDHA provisions relative to squatting syndicates and professional squatters and make available, through the PNP and DOJ, a consolidated list of squatting syndicates and professional squatters.
- d. Update the Office of the President and submit reports thereof on the implementation of this EO.

2.2. Local Committee

2.2.1 All government units are hereby directed to create a Committee Against Squatting Syndicates and Professional Squatters composed of the following:

- a. The mayor of the concerned cities/municipalities with permanent alternate;
- b. The local chief of PNP with permanent alternate;
- c. Representative of the PCUP with permanent alternate;
- d. President of the PCUP accredited urban poor organization with permanent alternate; and
- e. A representative from the private sector who shall be chosen by the above members.

2.2.2 The Committee shall have the following functions:

- a. Within 60 days from the effectivity of this Order, adopt the necessary measures to identify and effectivity curtail the activities of professional squatters and squatting syndicates, including the name of public officials and/or private individuals or companies abetting or tolerating the commission of the act;

- b. Provide the Housing and Urban Development Coordinating Council (HUDCC) and NHA copies of identified squatting syndicates and professional squatters in order to safeguard against their inclusion in future programs/projects and recommend disqualification in existing programs.
- C. Provide legal assistance to victims of professional squatters/syndicates and make available, through the PNP and DOJ, a consolidated list of squatting syndicates and professional squatters;
- d. File the necessary charges before the court or Prosecutor's Office;
- c. Undertake investigation in violation cases on demolition and eviction forwarded to it and recommend appropriate actions on the same to the concerned agencies.
- f. Monitor demolition and eviction activities; hence, it shall draw up and establish its monitoring system;
- g. Submit reports to the National Committee Office of the President, copy-furnish concerned agencies involved in the implementation of RA 7279; and
- h. Call on any government entities for assistance, if necessary.

SECTION 3. *Action Against Offenders.*

- 3.1 The LGUS, upon the recommendation of their local committees, shall summarily evict the offenders and demolish their dwelling structures.
- 3.2 The LGUS, PCUP, and PNP shall monitor and implement Section 30 of Republic Act No. 7279 regarding new illegal entrants, defined as those guilty of squatting after the effectivity of said Act.
- 3.3 The concerned agencies herein identified shall enforce Section 45 (Penalty Clause) of Republic Act No. 7279 on new illegal entrants.

SECTION 4. *Repealing.* -

All executive orders, rules, regulations and other issuances or parts thereof inconsistent with this Executive Order are hereby repealed or accordingly modified.

SECTION 5. *Effectivity Clause.* -

This Executive Order shall take effect upon publication in a newspaper of general circulation as provided by law.

DONE in the City of Manila, this 15th day of October in the year of Our Lord, nineteen hundred and ninety-three.

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ing or supplementing this Act. The Secretary of Public Works and Communications¹ shall also make such special reports as Congress² may request.

ARTICLE X. - Special Provisions and Penalties

SEC. 22. Special Provisions. - Upon approval of this Act, no money, whether from current or from accumulated previous releases from the Highway Special Fund shall be spent during a period of forty-five days immediately preceding any election except for:

(a) Expenditures for purely maintenance work in existing roads, bridges, ferries and other stream-crossing facilities, the total disbursements of which shall not exceed the monthly average expenditure for such purposes in the province or city during the previous year: *Provided*, That the total monthly disbursement for all such provinces and cities shall not exceed three million pesos;

(b) Payment of the costs of actual construction or improvement already awarded by contract;

(c) Payment for the usual cost of the preparation of working drawings, specifications, bill of materials, estimates, and other procedures preliminary to actual construction, including the purchase of materials and equipment; and

(d) On-going public works projects commenced before the campaign period of one hundred twenty days prescribed under Section eight-one of the Election Code of 1971;* *Provided*, That the Commissioner of Public Highways shall submit to the Commission on Election the list of all on-going public works projects being undertaken by the Bureau.³

SEC. 23. Penalties, - it shall be unlawful for any person to usurp any portion of a right-of-way, to convert any part of any public highway, bridge, wharf or trail to his own private use or

¹ Now Minister of Public Works and Highways

² Now Batasang Pambansa

³ Now Ministry

*Superseded by Election Code of 1978

to obstruct the same in any manner, or to use any highway beach for irrigation or other private purposes and, person so offending shall be punished by a fine of not more than one thousand pesos or by imprisonment not exceeding six months.

Any person altering boundaries or location monuments on road-right of-ways shall be punished under Article three hundred and thirteen of the

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Revised Penal Code.

Any person who shall remove any tool or any road-making material from any highway; or mutilate, damage, destroy, or in any manner interfere with any public bridge, culvert, drainage, canal, road marker, sign, or other road or road-sign development facilities shall be punished under the Article three hundred and twenty-eight of the Revised Penal Code.

If the obstruction or damage shall result in any road or motor vehicle accident, the penalty provided in the second paragraph of Article three hundred and thirty of the Revised Penal Code, shall be imposed.

ARTICLE XI. - *Final Provisions*

SEC. 24. *Acts, Executive orders, Administrative Orders, ordinances, etc., repealed.* - Act Numbered One thousand five hundred and eleven, otherwise known as the Philippine Road Law, Republic Act Numbered Nineteen hundred seventeen and all Executive Orders, Administrative Orders, ordinances, and regulations inconsistent herewith are hereby repealed.

SEC. 25. *Effectivity.* - This Act shall take effect upon its approval, except sections seven and eight hereof which shall take effect six months after the approval.

Approved.

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