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**LGU's Guidebook for
Local Housing Project/Program**

LGU'S GUIDEBOOK FOR LOCAL HOUSING PROJECT/PROGRAM

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OBJECTIVES

What is the Guidebook all about and what does it aim to accomplish?

The Guidebook contains answers to questions commonly asked by local government officials relative to housing concerns. It also aims to:

1. Provide the LGU with a step-by-step information guidebook that will assist them in the formulation and implementation of their respective local housing programs.
2. Serve as a procedural reference for all local chief executives interested to embark on their local housing projects geared towards addressing the housing needs of their respective localities.
3. Provide more detailed steps and procedures required in the formulation of a shelter plan including various housing schemes for the LGU's low-income constituents; and
4. Enable the LGUs to plan and implement local housing programs and projects on the basis of their specific mandates under the law.

GETTING STARTED

Legal Basis

What are the legal bases mandating LGUs to undertake the provision of housing services to their respective communities?

The mandate is based on the following statutes and issuance:

1. Specific provisions under the Local Government Code of 1991 (Republic Act No. 7160) and the Urban Development and Housing Act of 1992 (Republic Act No. 7279) that stipulates the mandate of LGUs to provide for the housing needs of their "homeless constituents," thus "justifying" the need for them to implement their respective local housing programs.

What are the tasks Of Local Government Units as mandated in R.A. 7279?

The tasks as enumerated for LGU's in the UDHA (in all cities and those municipalities which are urban or urbanizing) are the following:

1. Prepare a comprehensive land use plan aimed at achieving the objectives of the UDHA; (Sec. 6 and 39)
2. Conduct an inventory of all lands and improvements thereon within their respective localities in coordination with the Housing and Land Use Regulatory Board (HLURB) and with the assistance of the appropriate government agencies; (Sec. 7)
Update the inventory every three (3) years and furnish the Housing and Urban Development Coordinating Council (HUDCC) a copy of its inventory including updated ones for planning purposes; (Sec. 7)
3. Identify, in coordination with the National Housing Authority (NHA), the HLURB, the National Mapping and Resources information Authority (NAMRIA), and the Land Management Bureau (LMB) of the Department of Environment and Natural Resources (DENR) lands for socialized housing and resettlement areas for the immediate and future needs of the underprivileged and homeless in urban areas; (Sec. 8)
4. Certify as to the blighted status of lands, which shall be considered as one of the factors in the evaluation of the market value of land for socialized housing; (Sec. 13)
5. Identify and register all qualified socialized housing beneficiaries within their respective localities; (Sec. 17)
6. In pursuit of balanced housing development, enter into joint venture projects with private developers; (Sec. 18)
7. Provide basic services and facilities (potable water, power/electricity and an adequate power distribution system, sewerage facilities and an adequate solid

waste disposal system, and access to primary roads and transportation facilities) in the socialized housing or resettlement areas in cooperation with the private sector and concerned agencies; (Sec. 21)

8. Provide the program beneficiaries or their duly designated representatives, in coordination with the Presidential Commission for the Urban Poor (PCUP) and concerned agencies, the opportunity to be heard and to participate in the decision-making process over matters involving the protection and promotion of their legitimate collective interests; (Sec. 23)
9. In cooperation with the Philippine National Police (PNP), the PCUP-accredited urban poor organizations in the area, adopt measures to identify effectively curtail the illegal operation of squatting and squatting syndicates; (Sec. 27)
10. Implement, in coordination with the NHA, the prescribed procedures and guidelines on the execution of eviction and demolition orders involving homeless and underprivileged citizens, including the provision of adequate relocation.
Should relocation be not possible within the prescribed period, to provide financial assistance in the amount equivalent to the prevailing minimum daily wage multiplied by sixty days; (Sec. 28)
11. Implement, in coordination with the NHA, 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 such as sidewalks, roads, parks and playgrounds; (Sec.29)
Provide, in coordination with the NHA, relocation or resettlement sites with basic services and facilities, and access to employment and livelihood opportunities sufficient to meet the basic needs of affected families; (Sec. 29)
12. Prevent the construction of any kind of illegal dwelling units or structures within their respective localities; (Sec. 30);
13. Assist the National Home Mortgage Finance Corporation (NHMFC) in initiating the organization of Community Mortgage Program (CMP) beneficiaries; (Sec. 33)
14. Promote, in coordination with the HUDCC, NHA, the Technology Livelihood Resource Center (TLRC); Department of Science and Technology (DOST) and other concerned agencies in the production and use of indigenous, alternative, and low-cost construction materials and technologies for socialized housing; (Sec. 34)
15. Submit a detailed annual report, with respect to the implementation of the Act, to the President and House of Representatives; (Sec. 41)
16. May 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 (P50,000.00). (Sec. 43)

Organizing the Local Government Unit for Housing

What is a Local Housing Board?

A Local Housing Board is a local special body devoted to addressing shelter concerns in the formulation, development and implementation of a comprehensive and integrated housing and land development program of the LGU.

How is the Local Housing Board created?

The Board may be created by the LGU in the following manner:

1. The Local Chief Executive issues an Administrative Order creating the Local Housing Board (LHB) pursuant to an Ordinance approved by the local Sanggunian.
2. The LHB, as a local special body for housing, shall be responsible for drawing up the local housing policy, plans and programs of the LGU concerned.
3. It shall be composed of the Mayor as Chairman; Vice Mayor as Vice Chairman; a representative from the local Sanggunian, the City/Municipal Planning and Development Coordinator or Engineer, the Assessor and the Treasurer.

What office will be the implementing arm of the Local Housing Board?

1. The LHB shall establish a Local Housing Office (LHO) which shall implement the policies, plans and programs adopted by the Board.
2. The City/Municipal Mayor shall appoint a General Manager of the LHO who shall serve on a full-time basis.
3. The LHO may be composed of the following divisions, the respective duties and responsibilities of which are:

- **Administrative and Records Division**

- a. Be responsible for the over-all direction and supervision of personnel;
- b. Implement policies, guidelines and procedures related to accreditation, monitoring and evaluation of participating community associations and housing beneficiaries.
- c. Handle the documentation of all socialized housing projects;
- d. Keep the records or files of all documents and personnel;
- e. Be the custodian of all properties acquired for safekeeping.
- f. Take charge of the procurement and delivery of all supplies and equipment needs; and
- g. Be in charge of the preparation of Deeds of Sale and the monitoring of the same.

- **Technical Planning and Development Division**

- a. Identify prospective sites for projects related to shelter development and land acquisition;
- b. Prepare and formulate plans and programs for the upgrading of specific and existing projects and/or programs;
- c. Undertake the demolition of illegally constructed housing units on government and private properties and along danger zones;
- d. Prepare plans, lot surveys, on-site inspection, and (partially) supervise projects to ensure that these conform to the approved specifications and existing regulations as embodied in the local development plan.

- **Community Affairs and Development Division**

- a. Conduct census of potential beneficiaries of the projects;
- b. Render assistance to families and associations in relation to meeting their basic needs by giving self-employment or self-help projects and cooperatives, through livelihood training and seminars;
- c. Prepare plans and programs/projects for the communities, NGOs and GOs in line with the administration's activities for the under-privileged.
- d. Perform all integral tasks in the implementation of policies and guidelines on the utilization and individualization of titles and housing loans.

- **Financial and Legal Services Division**

- a. Provide all services in connection with the collection and servicing of loan accounts;
- b. Prepare contracts and all other documents pertinent to the award to qualified beneficiaries;
- c. Be accountable for all payments made, for updating debts by giving clearance certificates to fully paid beneficiaries.
- d. The Division shall be composed of the City/Municipal Administrator, Treasurer, Budget Officer and the Chairman of the Committee on Way and Means of the Sanggunian.

PROPOSED ORGANIZATIONAL SET-UP FOR A LOCAL HOUSING OFFICE

ADMINISTRATIVE	TECHNICAL	COMMUNITY AFFAIRS
<p>Administrative Support to the Office (GSD, Finance, Accounting, Personnel)</p> <p>Receiving and Releasing Documents</p> <p>Budgeting/Accounting</p> <p>Preparation of Bid Documents for Project Contracts</p> <p>Records Management</p> <p>Collection of Amortization Payments</p> <p>Database Management</p> <p>Beneficiary Profile</p> <p>Inventory of lands</p>	<p>Planning: Physical Planning, Physical Surveys</p> <p>Implementation</p> <p>Feasibility Studies Preparation</p> <p>Land/Title Research</p> <p>Liaison with key shelter agencies and other government agencies</p> <p>CSW for permits, compliance with BP 220 and PD 957</p> <p>Conduct of demolitions</p> <p>Preparation of Annual Reports</p>	<p>Community Organization and Community Preparation</p> <p>Census/Tagging</p> <p>Beneficiary listing</p> <p>Social Preparation</p> <p>Conduct of Consultations</p> <p>Leadership Training/ Empowerment</p> <p>Accreditation of community housing associations, private CMP originators, developers</p>

FORMULATING THE LOCAL HOUSING PROGRAM

What are the processes involved in the formulation of a Local Housing Program?

The various processes involved are as follows:

1. Preparation of local shelter plans.

This could be undertaken by the Local Housing Board or the City/Municipal Planning Office with HUDCC's and Key-housing agencies technical support.

2. Identification and selection of sites for local housing

3. Identification of fund sources/financing the local housing projects (for developers and for end-users). See Attachments.

4. Organization of beneficiaries.

5. Selection of project developer

What are the procedural steps to be taken in the preparation of the local shelter plan?

Following are the steps to be taken in the preparation of the plan:

1. Data gathering

- The current resettlement needs and the new housing needs of the locality to facilitate the matching of these needs with the housing units to be constructed in the area;
- Affordability and assessment of financial resources of the different income groups;
- Resource requirements (land, infrastructure, building materials, labor)
- Socio-economic profile

2. Situational Analysis

- Current local housing situation and problems (population, area, housing stock and basic services profile)

3. Goal and Objectives Setting, Shelter Strategy

- Matching of housing needs, particularly the needs of low-income groups, with available resources and its integration to the development plan of the locality
- LGU's efforts in addressing problems of land tenure and house ownership.
- Local resource mobilization in terms of housing finance.

PREPARING THE FEASIBILITY STUDY

What aspects are covered by the local housing project feasibility study (FS)?

The Project Feasibility Study shall cover the following aspects:

1. Legal Mandate
 - Right or authority of the LGU to develop the proposed project.
 - Property title of the proposed project should be free from any lien or encumbrances and claims
2. Socio-Economic Profile of the LGU
3. Organizational Structure of the LGU
4. Technical Feasibility
 - Project design features
 - Proposed development and project components (land use and distribution, density, lot sizes, dimensions and distributions, road hierarchy, utilities, accessibility, housing units, topography)
 - Cost profile (pre-development expenses, land development, house construction)
 - Physical constraints (proximity to earthquake and flood-prone areas)
 - Conformity to the design standards, rules and regulations
 - Work program
5. Financial Feasibility
 - Cash flow statement
 - Financial ratios/resources
6. Market Feasibility Study
 - Profile of target beneficiaries
 - Market program
 - Projected profit and loss statement
 - Affordability analysis
7. Environmental Impact Assessment (EIA)
 - Existing socio-economic and biophysical environment
 - Project impact on physical and biological resources
 - Mitigation and enhancement measures

SITE SELECTION

What steps are to be followed in selection of site for local housing?

Following are the parameter to be observed on site selection:

1. Inventory and profile of available sites.
2. Location and quality of site (accessibility to infrastructures and employment, quality of site, land ownership, basic services, utilities and cost).
3. For resettlement site, location criteria of affected people and comparative analysis of possible sites.
4. Safe from both environment and man-made hazards.

What factors should be considered in site selection?

Select the site of your housing program based on the expressed preferences of your beneficiaries. Note, however, that the site should have access to transportation and should have provisions for basic services and support facilities.

It will be easier and faster to set up your program if the site is owned by the local government or will be acquired by the local government. A sample format for site evaluation is provided in *Annex C*.

What are the priorities in the acquisition of land for local housing?

The priorities in the acquisition of land are:

1. Idle government or private lands
2. Unregistered or abandoned idle lands
3. Alienable lands of the public domain.

How to acquire the land for housing program?

The following are the various modes of land acquisition:

1. Negotiated purchase
2. Joint-venture agreement
3. Land banking
4. Land swapping
5. Usufructuary arrangement
6. Expropriation
7. Presidential Proclamation

The local government unit has several options for land acquisition:

- Direct purchase at a price agreed upon with the owner
- Donation by land owner to the local government unit
- Transfer of title by a national government agency to the local government unit
- Usufructory agreement with a national government agency

As an alternative, the local government unit may opt to assist its beneficiaries in acquiring the lot, e.g. through the Community Mortgage Program or similar schemes.

OVERVIEW OF TITLE RESEARCH

An important step in ensuring the validity and sustainability of housing projects is extensive title research on lands. The following is an overview of steps to be undertaken by the researcher:

1. Checking with Register of Deed's (RD's) Copy
2. Checking all entries of the Transfer Certificate of Title (TCT) – including technical description, liens, encumbrances, etc.
3. Traceback of Original Certificate of Title (OCT)
4. Traceback to origin of TCT
 - a. Judicial (from tax declaration) - LRA
 - b. Free patent DENR-LMB
5. Checking of liens and encumbrances, mortgages
6. Checking of Adverse claimants
 - a. Extrajudicial partition with SPA
 - b. Extrajudicial partition with Sale
7. Identification of all heirs including declared illegitimate children
8. Checking Tax declaration for consistency with municipal ordinance (declared residential for tax purposes but no corresponding ordinance)

REQUIREMENTS IN THE ISSUANCE OF PROCLAMATIONS/ RESERVATIONS

In order to expedite the processing of requests for Presidential Proclamations pursuant to Presidential Memorandum Circular No. 28 dated 19 January 1993, which provides for a checklist on request Presidential issuances, the following documents/requirements must be complied with for the information and guidance of all concerned

1. Request for reservation by the reservee;
2. Comments/Recommendations of the following
 - a. Provincial Health Officer duly concurred or recommended by the Regional Health Director and Secretary of Health in case of settlement, school, hospital and other reservation when it may affect the health of the people

- b. District Engineer of DPWH, duly concurred or recommended by the Regional Director and Secretary of DPWH
 - c. District/City Superintendent of the school in case of school site reservation duly concurred or recommended by the Secretary of DECS;
 - d. Provincial Commander or Chief of Staff of the Armed Forces of the Philippines in case of military reservation duly concurred or recommended by the Secretary of the DND
 - e. Philippine Port Authority in case the land abuts the sea, lake or navigable river duly concurred or recommended by the Secretary of the DOTC
3. Survey of the land to be reserved duly approved by the Regional Technical Director for Lands concerned and Approved Plan;
4. Verified and certified correct Technical Descriptions;
5. Certified photographs (or visual documentation) showing panoramic view of the area subject of the proposed proclamation as well as adjacent areas/ vicinities, improvements introduced, landmarks, identifying features, settlements, if any, etc.
6. Land Classification or Municipal Index Map projecting the area covered by the proposed proclamation and land uses:of the area and surrounding vicinities within two-kilometer radius;
7. Report pursuant to M.C. No. 28 dated January 19, 1993 following the tenets of Completed Staff Work (CSW). Draft memorandum should incorporate the justification, legal basis, coordination with concerned agencies and their comments and potential problem, if any. In the case of Watershed reservation, the setting up of Watershed Management Councils is a requisite.
8. Narrative Report of Investigation with recommendation officially endorsed to the Secretary by the regional Executive Director through the Undersecretary for Field Operation.

BENEFICIARY SELECTION

What are the criteria for beneficiary selection?

Resettlement/Relocation

- ❑ Poor families qualified for relocation and resettlement and assistance under the Urban Development Housing Act of 1992 (RA 7279)
- ❑ Underprivileged and homeless citizens whose average or combined family income fall within the poverty threshold
- ❑ Those who do not own any real property and have not been beneficiaries of any government housing program except on leasehold or rental arrangement.
- ❑ First Priority -Target project beneficiaries
Second priority - Open Market

Typical Low-cost housing project

- ❑ Member of good standing in any of the three institutions: Government Service Insurance System (GSIS), Social Security System (SSS), or Home Development Fund (HDMF)
- ❑ Has not availed of any housing loan from either the SSS, GSIS, HDMF or any financing institutions as a principal borrower or co-obligor.
- ❑ He must not own any residential unit in the capacity as a sole owner or co-owner

The Local Government Unit can still provide additional criteria which they deemed necessary.

How to organize the beneficiaries?

Most of the beneficiaries of housing projects are naturally organized, i.e. they are grouped together based on their places of work and profession (e.g. teachers, police, soldiers and trade union members). For these groups, processing of requirements of their housing loans would be easy. Leaders of said groups may be tapped to assist their respective groups.

However, there are also non-organized beneficiaries such as Overseas Filipino Workers, informal settlers and other individual borrowers who may need to be organized in the early stages of project implementation so that it will be easier to process the requirements for take-out of their housing loans by the concerned government agencies. Non-government organizations may be tapped to assist in organizing the beneficiaries.

AVAILABLE GOVERNMENT PROGRAMS FOR LOCAL HOUSING

What are the various local housing projects that can be implemented in the LGUs?

The housing projects that can be implemented in the LGUs include:

1. Resettlement Projects - These can be undertaken through joint-venture arrangements or under the sites and services program of the NHA.
2. Community Mortgage Program (CMP) with the LGU as originator and NHMFC as funder.
3. Regular Low-Cost Housing Projects - These projects can be financed through DBP, Landbank, PNB or other private banks.
4. Medium Rise Housing (MRH) and Rental Housing – through a joint venture-arrangement with the NHA. Technical assistance can be provided by the NHA.
5. Core Shelter Housing Assistance - This is program of the Department of Social Welfare and Development that provides technical assistance to families affected by disasters in building a standard typhoon-resistant core housing unit at minimal cost.

What are the available sources of fund for local housing projects?

The following sources of fund can be availed of by LGUs for their housing projects:

1. National Government
 - Financing from Key-housing agencies (NHA, HIGC, HDMF, NHMFC)
 - Lending Program from government banks (DBP, PNB, LBP)
 - President's Social Development Fund
 - DOF-BLGF Municipal Development Fund
2. Local Government
 - Local appropriations for housing
 - Savings
 - Special sources of revenue
 - Bond flotation
 - Calamity Funds (preparation of relocation sites/facilities pursuant to DILG-DBM Joint Memorandum Circular 2003-1)
3. Other Sources
 - International, bilateral or multilateral aid sources (Ex. Japan Grant Aid for general project, ODA)
 - Non Government Organization (Habitat)
 - Private banks

What are the programs being offered by the national government to support the local housing program?

There are various programs to provide end-user housing loans. Note that under this program, interest rate for socialized housing (units worth P225,000 and below) have been set as low as 6 percent to 8 percent.

There are also development financing available from various government financial institutions and shelter agencies.

How to avail of development financing?

Developers can avail of financing for its projects from government institutions i.e. DBP, LBP, PNB, SSS, GSIS and HDMF. Details on these funding programs can be acquired from the respective agencies.

What is end-user financing?

End-user financing is provided by the Home Development Mutual Fund and the Government Service Insurance System.

Details on these funding programs can be acquired from the respective agencies or through the GMAC .

What are the forms of financial assistance per housing program or project of each of the following government agencies and financial institutions: NHA, HIGC, HDMF, NHMFC, DBP, LBP, GSIS, SSS and PNB?

1. National Housing Authority

- *Resettlement* (acquisition and development of land) Delivery scheme is through joint-venture whereby land or land cost is provided by the LGU
- *Medium Rise Public Housing* (maximum of five storeys, walk-up) – through joint-venture
- *Sites and Services* (serviced homelots) – joint-venture
- *Local Housing* (cost-recoverable, socialized project) –joint venture

2. Home Guaranty Corporation

- *Securitization* – Guaranty cover on security or financial instruments issued for housing purposes (alternative source of capital for housing development).

3. Home Development Mutual Fund

- *Local Government Housing Program* – Direct loan to LGU for land acquisition and development, including construction of housing units
- *Group Land Acquisition and Development* – is a facility in which an organized group of at least 30 Pag-IBIG members organized as a cooperative or HOA is provided financing for the acquisition of rawland and its subsequent site development and further financial assistance for house construction.

4. National Home Mortgage Finance Corporation

- *Community Mortgage Program (CMP)* – A financing scheme that allows residents of blighted areas to own the lots they occupy and to construct houses therein. LGUs can act as loan originators.
- *Abot Kaya Pabahay (AKP) Developmental Loan Program* – Assistance to localities identified by LGUs as priority areas in relation to socio-economic and housing development.

5. Development Bank of the Philippines

- *Regular LGU Housing Program* – Long-term loan (maximum term is 15 years) for housing-related activities. The housing units or lots generated under the program will be sold to the target beneficiaries on installment basis.
- *LGU Housing Loan with Take-out Mechanism (Bridge Financing)* – End-buyers secure housing loans from either the DBP or GSIS Individual Housing Loan Program. The LGU in turn repay DBP the corresponding loan.
- *Standby Credit Facility Convertible to a Term Loan* (maximum term of 2 years) – Joint venture undertaking by the LGU with a private developer. A DBP standby letter of credit will be issued to guarantee the LGU's payment to the developer.

Collateral Requirements - Deed of Assignment with hold-out of a specified portion of the LGU's IRA

6. Land Bank of the Philippines

- *Lending Program for LGUs* – The loan amount is based on the project requirement whereby the LGU shall contribute 25% of the total cost.

Collateral can be 20% of IRA or 20% of regular income or net profits/income from the project.

7. Philippine National Bank

- *LGU Financing* – The loan amount is based on the project requirement (not to exceed 5x of the 20% of IRA or 20% of regular income). Collateral can be 20% of IRA, 20% of regular income or net profits/income from the project and mortgage of the LGU's other public properties (idle).

RESETTLEMENT

What are the procedures involved in the preparation and implementation of resettlement projects?

The step-by-step procedures to be observed are as follows:

1. Pre-Implementation
 - Project Identification
 - a. Resettlement planning
 - b. Baseline survey
 - c. Evaluation of sites
 - d. Selection of sites
2. Project Preparation
 - Community organization and participation
 - Plan preparation
 - Compensation scheme and eligibility criteria
3. Project Appraisal and Financing
 - Feasibility Study
 - Identification of funding
 - Identification of resource requirements
4. Detailed Engineering
 - Architectural and Engineering Designs
5. Implementation
 - Relocation
 - a. Site acquisition
 - b. Project construction
 - c. Land registration, titling and payment of compensation
 - d. Award - Transfer arrangement
 - e. Strengthening community organization
 - Resettlement and Rehabilitation
 - a. Access to employment, training and credit
 - b. Shelter, infrastructure, social services
6. Post-Implementation
 - Estate management
 - Monitoring, appraisal and evaluation

COMMUNITY MORTGAGE PROGRAM

What are the procedures involved in the preparation and implementation of Community Mortgage Program (CMP) with the LGU as originator?

The step-by-step procedures to be observed are as follows:

1. Stage I. Purchase Commitment Line (PCL) Application
 - Landowner executes letter of intent to sell to Community Association (CA)
 - CA applies for CMP loan through the originator (LGU)
 - LGU processes CA's application and applies for PCL with NHMFC
 - NHMFC conducts background investigation and appraisal prior to PCL approval
2. Stage II. Letter of Guaranty (LOG)
 - LGU prepares and deliver Letter of Guaranty (LOG) documents to NHMFC
 - NHMFC evaluates and issues LOG
3. Stage III. Payment of Land and Land Development
 - Landowner executes deed of absolute sale and transfer of title in CA's name
 - LGU prepares compliance
 - NHMFC releases funds (payment of land and land development)
4. Stage IV. Project Implementation

FOR PRO-FORMA DOCUMENTS, SEE ANNEX "J"

REGULAR HOUSING PROGRAM

What are the procedures involved in the preparation and implementation of regular low-cost housing projects?

The step-by-step procedures to be observed are as follows:

1. Data gathering
 - Identification of intended beneficiaries, determination of existing supply and demand including required and available resources (land, infrastructure, finance, labor, building materials)
2. Site Selection
3. Engineering Details
 - Development of schematic plan (road layout, gradient, typical roadway sections and road easements or right-of-way, etc.)
 - Vicinity plan, lot plan and layout
 - Topographic or survey plan to include boundary lines, technical descriptions, elevation, significant features, etc.
 - Proposed public improvement including existing land use.
4. Preparation of Project Feasibility Study
5. Approval of the project includes permitting requirements
6. Project Implementation
 - Overall implementation strategy (identification of critical activities. Use of PERT-CPM to identify reasonable time frame of the project)
 - Project schedule (time, resources requirement and activity)
 - Management structure (define communication flow and scope of supervision)
 - Fund management (budgetary control)
7. Sale/Award
 - Disposition of house and/or lot packages
 - Loan arrangement (cost recoverable mechanism)
8. Monitoring and Evaluation

Establish initial program plan and base information

 - Collect data
 - Compare actual data with plan data
 - Identification of issues requiring decision
9. Evaluation Report
 - Project background information
 - Scope and methodology of evaluation used
 - Findings, conclusion, and recommendation

LGU-NHA JOINT VENTURE UNDERTAKING

What are the procedures involved in the preparation and implementation of LGU - NHA joint-undertaking housing project?

1. Pre Project Implementation Phase
 - LGU submits project proposal/feasibility study to NHA
 - NHA conducts evaluation, assessment and verification on the following:
 - Classification of municipality, income and housing need profile;
 - Suitability of land
 - Market profile
 - Contribution of LGU
 - Proposal submitted for consideration of the NHA Board Directors.
2. Project Approval (process shall follow the NHA standard procedures)
3. Project Implementation (governed by the provisions of the agreement)
4. Project Financing and Cost Recovery
 - Recovery of project funds is through home buyers financing (HDMF or other similar financing programs)
 - Pricing of housing unit includes land acquisition and development, housing construction cost, overhead and financing charges
5. Beneficiary Selection (should be undertaken by the LGU)
6. Project Completion
 - Operation and maintenance by the LGU

PERMITS, CLEARANCES, APPROVALS FOR PROJECTS

What are the procedures to be followed in acquiring the required permits, clearances or approvals from the concerned agencies?

The step-by-step procedures to be observed are as follows:

1. Department of Agrarian Reform (DAR) Clearance

The following are the required documents:

- Certified copy of Title (OCT/TCT) and/or other legal documents establishing land ownership.
- Department of Agriculture (DA) certification that the land has ceased to be productive economically and agriculturally.
- LGU Certification that the project is inside the proper zone (land use plan/zoning ordinance)
- Proposed project site characterization outline (project details, environmental settings, mitigation measures)
- Cadastral/vicinity map
- Photographs of the project site

2. Department of Environment and Natural Resources – Environmental Management Bureau (DENR–EMB) Approval

- The LGU shall prepare and submit an Initial Environment Examination (IEE) for Community Housing Projects to EMB

3. Sanggunian Approval

- Upon completion of the required clearance and documents, the proposed project shall, then, be submitted to the Sanggunian for deliberations and approval.

4. Department of Environment and Natural Resources – Land Management Bureau (DENR-LMB) Verification and Approval

- Approved subdivision plan, surveys and technical descriptions of the project for title verification.

5. Housing and Land Use Regulatory Board (HLURB) Certificate of Registration and License to Sell

The LGU shall accomplish the following documents as per HLURB requirements:

- TCT/OCT duly stamped with original marking “certified true copy”

- LGU's audited balance sheet and financial statement
- Authority (certification) to engage in the development and selling of the subject property
- Copy of brochure, circular, prospectus, advertisement or communication used
- Sample copy of Contract to Sell or Award
- Environmental Compliance Certificate (ECC) or Certificate of Exemption issued by the DENR-EMB)
- Approved/verified survey plan
- Approved subdivision Plan

6. Land Registration Authority (DOJ-LRA) and the Register of Deeds' Registration of Title

The LGU shall then apply for registration of title before the Land Registration Authority (DOJ-LRA) and the Register of Deeds with the following accompanying documents:

- Original plan approved and certified by the Office of the Regional Director
- Property technical description
- Surveyors certificate
- Assessed value of the property

• **ANNEX A**

(A STANDARD FORMAT OF THE ESTABLISHING MUNICIPAL URBAN DEVELOPMENT AND HOUSING BOARD)

RESOLUTION NO. _____
(Series of 2002)

A RESOLUTION ADOPTING THE ENACTMENT OF A MUNICIPAL ORDINANCE CREATING THE "MUNICIPAL URBAN DEVELOPMENT AND HOUSING BOARD OF THE MUNICIPALITY OF _____ PROVINCE OF _____".

WHEREAS, Section 9, Article XIII of 1987 Constitution provides that the State shall by law, and for the common good undertake, in cooperation with the private sector, continuing program of urban land reform and housing which will make available at affordable decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such programs, the State shall respect the rights of small property owners.

WHEREAS, Section 17, Republic Act 7160, provides that LGUs shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them x x x as are necessary, appropriate or incidental to efficient and effective provision of basic services and facilities enumerated herein xxx (viii) Programs and projects for low-cost housing and other mass dwelling, except those funded by the SSS, GSIS and the HMDF; Provided that national funds for those programs and projects shall be equitably allocated among the regions in promotion to be ration of the homeless to the population xxx).

WHEREAS, Section 18, Republic Act 7160, provides that LGUs shall have the power and authority to establish an organization (underscoring supplied) that shall be responsible for the efficient and effective implementation of their development plans, programs objectives and priorities: xxx to acquire, develop, lease, encumber, alienate or otherwise dispose of real or personal property held by them in their propriety capacity, and to apply their resources and assets for productive, developmental, or welfare purpose, in the exercise or furtherance of their governmental or proprietary powers and functions;

WHEREAS, Republic Act 7279, provides for a decent shelter to the underprivileged and homeless citizens in urban areas and resettlement areas whose lives are generally marked by economic insecurities and whose occupancy on the land is uncertain.

WHEREAS, as provided in the Presidential Executive Order No. 45 dated October, 2001 ***Prescribing Time Periods for Issuance of Housing Related Certifications, Clearances and Permits, and Imposing Sanctions for Failure to Observe the Same***, the government is committed to reducing the period for processing of housing related documents and has directed the concerned agencies to designate responsible officers at the Regional Level with sufficient authority to accept, process, and dispose of applications for housing related certifications, clearances, or permits;

WHEREAS, The Municipal Government of _____, recognizes the necessity or creating a **MUNICIPAL URBAN DEVELOPMENT AND HOUSING BOARD**" that will oversee not only in the implementation of a different housing programs in a specific barangay, either it be by local, provincial or national government and of other agencies for the urban and rural poor and other bonafide residents of the municipality who are homeless, but also to act as **ONE STOP SHOP HOUSING PROCESSING CENTER**;

WHEREAS, the significance of creating the "**MUNICIPAL URBAN DEVELOPMENT AND HOUSING BOARD**" as opportunely mandated is highly needed as it shall be responsible in taking changes and shall be tasked in the formulation of policies relative to shelter and different housing programs of this municipality;

NOW THEREFORE, on motion of Hon. _____ and duly seconded by Hon. _____, be it;

RESOLVED, as it is hereby resolved to enact the following ordinance, to wit:

AN ORDINANCE CREATING THE MUNICIPAL URBAN DEVELOPMENT AND HOUSING BOARD OF THE MUNICIPALITY OF _____, PROVINCE OF _____

SECTION 1. TITLE : AN ORDINANCE CREATING THE MUNICIPAL URBAN DEVELOPMENT AND HOUSING BOARD OF THE MUNICIPALITY OF _____ PROVINCE OF _____

SECTION 2. DEFINITION OF ROLE/FUNCTIONS:

ROLE: The Board shall be the policy making body on shelter and housing Programs and to act as the **ONE STOP SHOP HOUSING PROCESSING CENTER** of the municipal government of _____

FUNCTIONS:

- a. Ensure the creation of the Municipal Urban Development and Housing Office (MUDHO)/Task Force/Unit/ or Team directly responsible under the Office of the Municipal Mayor.
- b. Recommends all proposals for the budgetary requirements pertinent to the operation of the Municipal Development and Housing Office/Task force/Unit/Team.
- c. Promulgate policies/guidelines pertinent to the implementation of the Local shelter and housing programs in accordance with RA 7279.
- d. Approve/disapproves the Comprehensive City/Municipal Shelter Plan submitted by the City/Municipal Development and Housing Office/ Task Force/Unit/Team.
- e. To act as One Stop Housing Processing Center to process all housing related permits, clearances and certifications, but not limited to land-use reclassification, development permits, locational clearances and other housing related activities..
- f. Recommends for approval of the Sangguniang Bayan the certifications, clearances, development permits and other housing related activities of a project proponent (s).
- g. Recommends for approval of the Sangguniang Bayan the Comprehensive Land Use Plan (CLUP).
- h. Ensures the creation of the Community-Based Housing Coordinating Committee and its implementing guidelines.
- i. Advises the Sangguniang Bayan on matters of local taxation which may affect the local government's different community-based housing programs.
- j. Recommends for the approval of the Local Chief Executive (LCE) partnership agreements with any other government housing or private entity or organizations, including but not limited to the following programs: Housing Production Assistance, Resettlement Development, Local Housing and Cost Recoverable Joint Venture.
- k. Recommends for approval of the Sangguniang Bayan the accreditation any Community Housing Associations (CHAs) on any related housing projects and other private originators for CMP.
- l. Recommends for approval of the Local Chief Executive and or the Sangguniang Bayan hiring of consultants in various housing related activities not limited to preparation of Comprehensive Land Use Plan but also of technical assistance of implementation of different housing programs and preparation of comprehensive shelter plan of the city/ municipal government.
- m. Acts as CMP originator and enabler of any different housing projects;

- n. Recommends for the approval of the Local Chief Executive agreements with any government or private entity for the conduct of proper planning sessions, training, seminars, conferences and capability building in any housing related activities or issues;
- o. Authorize the City/Municipal Treasurer, as the case may be, to disburse funds from the Special Housing Trust Funds to the board approved appropriation prepared in accordance with applicable existing rules and regulations.
- p. Serve as Advisory Committee to the Sangguniang on Urban Development and Housing Programs such as, but not limited to, necessity of local appropriations for the use of the Urban Development and Housing Programs.
- q. The office of the MPDC shall serve as the Housing Coordinator/ Officer under the Office of the Mayor in temporary capacity until such time that the Municipal government is already capable of hiring a permanent and qualified housing coordinator/officer.

SECTION 3. COMPOSITION: The Municipal Urban Development and Housing Board shall be composed of the following:

- Chairman: Mayor
- Co-Chairman: Chairman, Land Use and Housing Committee of the Sangguniang Bayan
- Members:
 - Municipal Planning and Development Coordinator (MPDC)
 - Municipal Engineer
 - Municipal Urban Development and Housing Coordinator/ Officer
 - Municipal Social Welfare and Development Officer
 - Municipal Environment and Natural Resources Officer (MENRO)
 - DILG representative and/or ABC President
 - Local Commission on Audit (COA)
 - Representative of Key Shelter Agencies (KSA)
 - Representative of Federation of different Community Housing Associations (urban poor) existing in a locality if there is any and/or any NGO/PO on housing related issues
 - Representative of any private professional practitioners in housing like CREBA, SHDA and other housing related organizations existing in a locality city/municipal or at provincial level, if there is any.
 - Representative of Provincial Urban Development and Housing Office
 - (SB could add any Sangguniang members as many as they can, if necessary, as members)

SECTION 4. MEETING AND QUORUM

- a. The local board shall meet at least once a month or as often as may be necessary.
- b. The chairman or the co-chairman or any five (5) members may call a meeting. A majority of all of its members shall constitute a quorum.

SECTION 5. BENEFITS – The Board may submit to the Sangguniang Bayan for approval a scheduled honorarium for the members of the Board for each meeting, if funds available subject for existing rules and regulations..

SECTION 6. BUDGET REQUIREMENT:

- a. The Board shall submit to the Sangguniang Bayan for approval its operational requirement for the year of the administrative operations of the Municipal Urban Development and Housing Board Office/unit and thereafter that will cover the salaries and wages its benefits, travel expenses (accommodation/ transportation, meals allowances, etc.) and other incidental expenditures.
- b. The Board shall also submit to the Sangguniang Bayan for consideration and approval an annual supplemental budgetary needs when necessary arises that will be appropriated or shall be taken from its share of the one half (.05%) realty tax on real properties.

SECTION 7. PRIORITIES FOR FINANCIAL ASSISTANCE

The Municipal Urban Development and Housing Board shall extend Financial assistance as priorities to the following:

- a. Victims of evictions and demolitions, if there is no available relocation or resettlement project as defined under Sec. 28 of UDHA.
- b. Financial assistance to registered and accredited community housing associations for the purpose of equity and other incidental expenses of housing related projects.
- c. Earnest money to pay private landowners for housing projects.
- d. Down payment for the acquisition of private property/right of way for housing related projects.
- e. Expropriation proceedings of private properties/for low-cost and socialized housing projects.

Financial assistance extended to community housing association shall be in the form of a loan with 6% interest rate to be charged per annum and payable in installment basis.

SECTION 8. SPECIAL HOUSING AND TRUST FUNDS

- a. This provision establishes a special account to be called "Special Housing and Trust Funds exclusively for housing purposes.
- b. The proceeds generated from the collection of the additional one half Percent (.05%) tax on real properties shall accrue to the SPECIAL HOUSING AND TRUST FUNDS (SHTF). In case of the province, the proceeds shall be equally shared between the province and municipal development and housing boards ; Provided, however, that the proceeds shall be allocate tin accordance with the implementing rules and guidelines formulated by the Provincial/City/ Municipal Development and Housing Board concerned.
- c. All funds/monies generated and collected from various sources intended for housing and other related development programs shall be deposited by the Municipal Treasurer for the exclusive account of the Special Housing and Trust Fund (SHTF) for the purpose of pursue the goals and objectives of the Board in any government bank.
- d. All payments, remittances, accrued interests, penalties and other from the community housing associations which benefited from any financial assistance extended to them by the LGU or from any other sources should be deposited in the same account.
- e. Payments of accreditation of CHA and CMP private originators, CMP Origination fees, share in payment of development permits, locational clearances and land use conversion fees and other fees for housing related activities are sample of sources of funds for Special and Housing Trust Funds.

SECTION 9. COMPENSATION AND REMUNERATION

- a. The Chairman, Co-chairman and members of the Municipal Urban Development and Housing Board shall perform their duties and responsibilities without any compensation and remuneration except honorariums as may be granted by the Sangguniang Bayan in its annual appropriation or supplemental budget.
- b. Except for members of the Board who are not government employees either appointed or elected shall be entitle to necessary traveling expenses and allowance as provided for in its annual appropriation or supplemental budget, subject to existing rules and regulations.

SECTION 10. MUNICIPAL URBAN DEVELOPMENT AND HOUSING UNIT/ OFFICE

- a. This provision enables the creation of Municipal Urban Development
- b. And Housing Unit or Office. This unit or office under the Office of The Mayor- will designs, programs, executes and coordinates all plans, projects and activities relating to the implementation of community-based housing and other appropriate social housing program packages for designated target clienteles/beneficiaries.

- c. This unit or office will be having three sections; administrative and services section, field operations section and technical services section.
- d. This enables to hire professional staff with a plantilla position to man the said office/unit subject to availability of funds..
- e. The main focus will be the provision of housing to the lowest 30% of population who have no lots yet for their housing.
- f. It will developed programs and projects meant to enhance community awareness and participation in housing project planning and implementation. It also concerned itself with the development of access for the delivery of necessary social services (in the areas of education, health and environmental sanitation) to its project communities' residents in the line with the call for holistic and integrated development.

SECTION 11. DEMOLITION

Local Housing Board shall oversee the implementation of Section 28 of The UDHA or R.A. 7279 and its implementing rules and regulations. Provided, however, that the application of the rules and regulations pertaining to just and humane evictions and demolition shall not require proof of the blighted status of the area in question or subject to court resolution.

In this regard, the Municipal Urban Development and Housing Board shall:

- a. Oversee and coordinate government activities relative to consultations, relocations and resettlement of the underprivileged and homeless citizens in cases when evictions and demolitions affecting them are necessary and allowed by existing laws.
- b. Recommend policy measure and/or undertake appropriate action to ensure full compliance with the constitutional mandate and statutory requirement prior to the eviction and/or demolition affecting the underprivileged and homeless citizens; and
- c. Issues directives, rules and regulations, not otherwise inconsistent with existing laws, as it may deem necessary to effectively carry out the purpose of the constitutional mandate to ensure just and humane eviction and demolition.

SECTION 12. COMPLIANCE REPORT

Before undertaking eviction and/or demolition affecting the underprivileged and homeless citizens, local government unit, national government agencies or other proponents of eviction and demolition activities, including employees of judiciary shall submit a compliance report to the local housing board with a statement under oath, that:

- a. Adequate relocation as defined and outlined under pertinent laws, rules and regulations have already undertaken and sufficiently with the affected residents.
- b. The pre-relocation and post-relocation phases outlined under pertinent laws, rules and regulations have been carefully observed.

The compliance report shall include a certified list of families to be evicted and/or relocated.

It shall be the responsibility of the local development and housing board to submit a regular monthly accomplishment report on all the activities of the said board to provincial urban development and housing board copy to DILG and HUDCC Regional Offices which in turn will be sent to DILG/HUDCC Central offices respectively.

SECTION 13. COURT ORDERED EVICTION AND DEMOLITION:

Local Development Housing Board shall represent the local government unit in any case before any court, tribunal, quasi-judicial body or agency on eviction and demolition of the underprivileged and homeless citizen as a remedy is sought by the complaining party.

In this regard, all complaints for ejectment shall include a prayer for the court with proper jurisdiction:

- a. to determined whether the party defendant is an underprivileged and homeless citizen; and
- b. to compel the local government unit and/or party defendant, if indeed such underprivileged or homeless citizen or the status of a citizen has been established by a preponderance of evidence.

All complaints for ejection which do not contain such prayer shall be treated as a mere "scrap of paper" and shall be dismissed without prejudice to the re-filling of another complaint. Provided, however, that prescriptive period provided for law has not lapsed.

SECTION 14. EFFECTIVITY

This ordinance shall take effect immediately upon its approval.

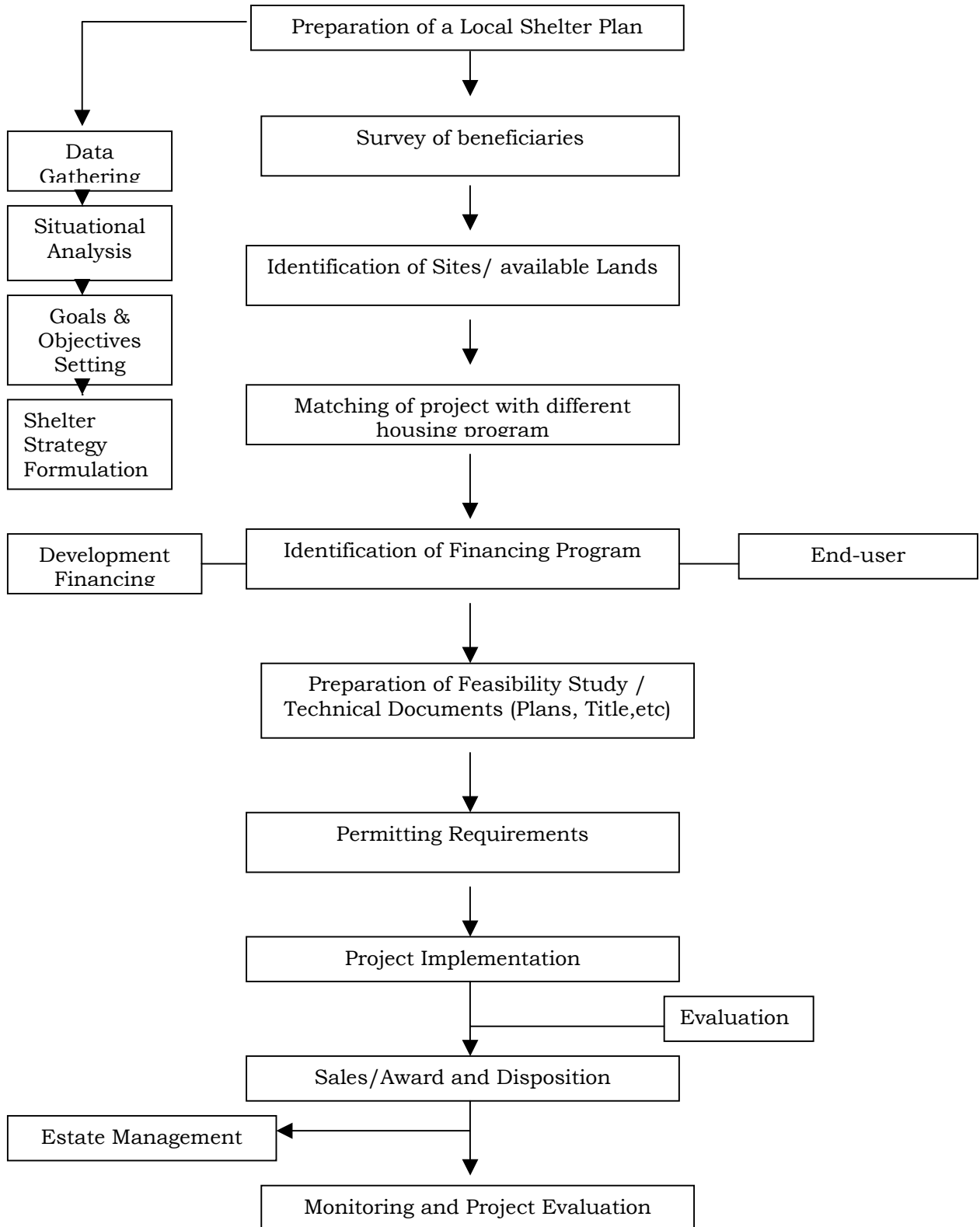
UNANIMOUSLY APPROVED, _____

I HEREBY CERTIFY, the correctness of the foregoing resolutions which was duly adopted by the Sangguniang Bayan of _____, _____ during its regular session held on _____.

Secretary to the Sangguniang Bayan

ATTESTED AND CERTIFIED TO BE DULY ADOPTED APPROVED, _____

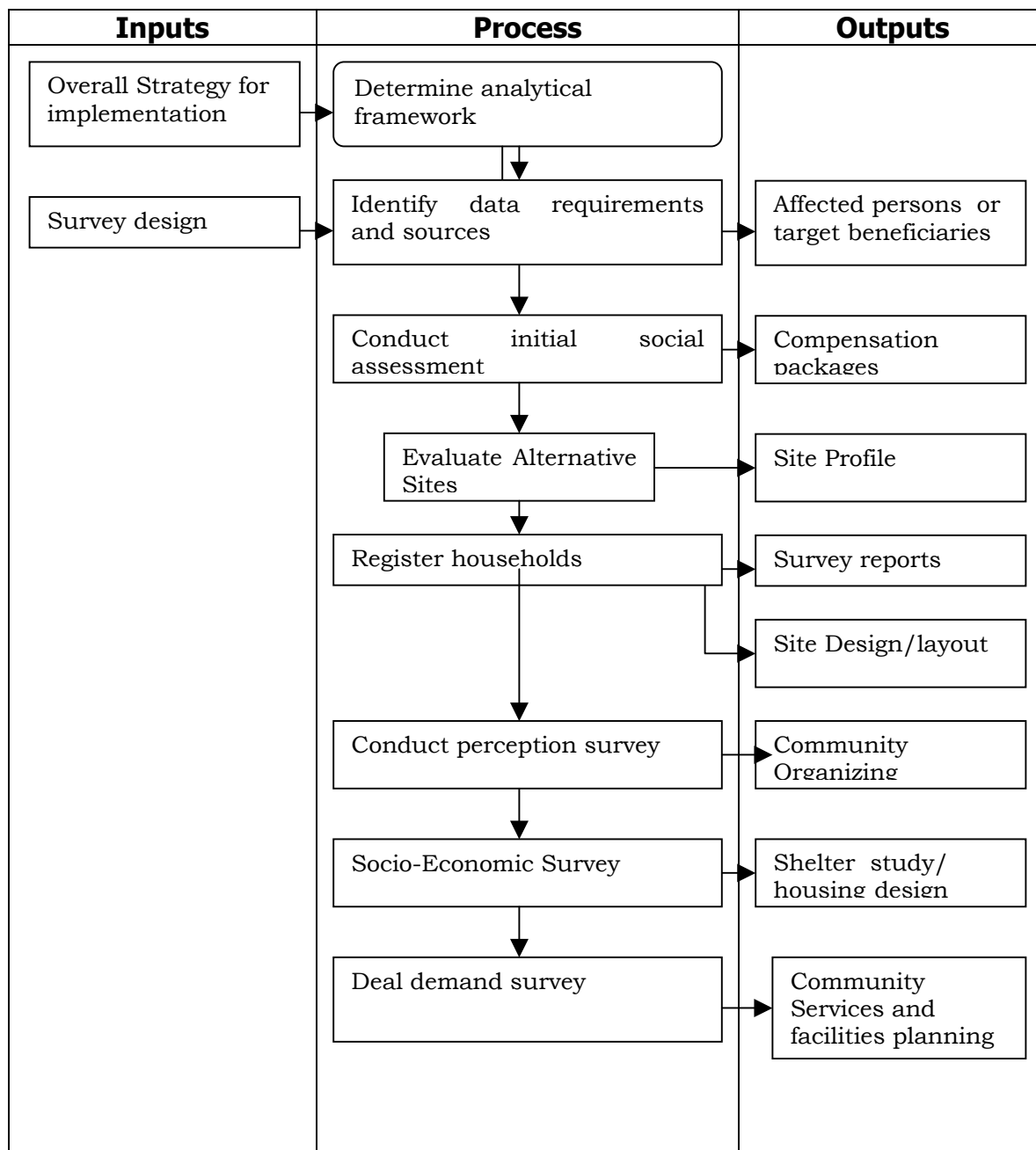
PROCESS FLOW FOR ACTIVITIES FOR LOCAL GOVERNMENT INITIATED HOUSING PROGRAMS/PROJECTS



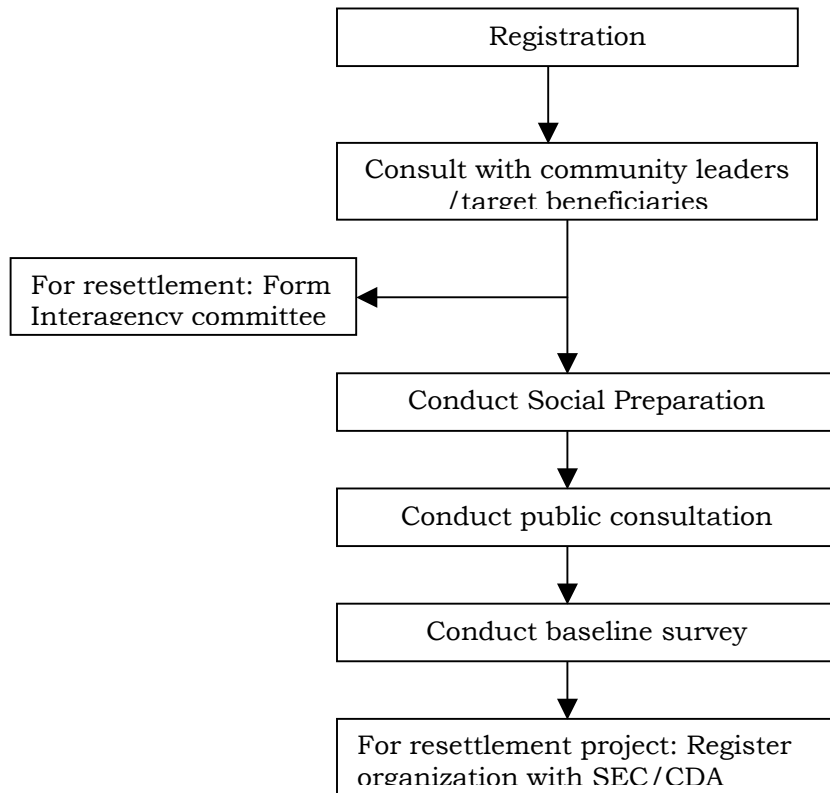
DATA REQUIREMENTS FOR SHELTER PLANNING

Data requirements	Specific information required	Agency/Office Responsible
<u>Housing Needs</u>		
New housing needs	<ul style="list-style-type: none"> ▪ Total Population ▪ Population Growth ▪ Household size ▪ Household/Dwelling Unit 	Mun. Census Office, NSO -do- -do- -do-
Relocation Needs	<ul style="list-style-type: none"> ▪ Households in danger areas ▪ Homeless population ▪ Households in priority infrastructure, project sites ▪ Squatter population 	Survey, LGU Local DSWD DPWH, Local engineering Office DSWD, PCUP, NHA, NGOs, DILG, LGU
Land Requirements	<ul style="list-style-type: none"> ▪ Present land use and cost ▪ Zoned land use and valuation ▪ Land ownership 	Assessors Office LGU Land inventory Data/BIR Register of Deeds, LMB
Financial Requirements	<ul style="list-style-type: none"> ▪ Available Developmental, Buyers Finance 	HUDCC, SSS, HDMF, GSIS, ADB, LandBank, NHMFC, Private Banks
Infrastructure Provision	<ul style="list-style-type: none"> ▪ Infrastructure provision capacity (water, electricity, sewerage, road, drainage, waste collection) ▪ Housing Standards and regulations: Minimum design standards 	LGUs Engineering Office, Public utility companies, DPWH HLURB, LGU

Flowchart for Conducting Surveys



Community Organization and Participation Process Flow



LAND EVALUATION REPORT

Landowner : _____
 Address : _____
 TCT No. : _____ Area: _____
 Location : _____
 Date Inspected : _____

I. LAND OWNERSHIP

_____ Clean
 _____ With encumbrance/liens/claims (specify)

II. SELLING PRICE

1. Offered Selling Price/per square meter
 P_____ per square meter
2. Prevailing Market Value of lots in the area
 P_____ per square meter

III. PHYSICAL CHARACTERISTICS

1. Present Status of lot
 _____ Vacant
 _____ With structures occupied by caretaker/tenants
 quantify _____
 _____ With squatters
 quantify _____
2. Existing Land Use/Zoning/Declared Use per Tax Declaration

LAND	:	Actual	:	Approved	:	Declared Use
USE	:	Land Use	:	Zoning	:	(Tax Declaration)

 Residential
 Agricultural
 _____ w/DAR Conversion
 _____ w/o DAR Conversion
 Unproductive rawland
 pastureland
 Others, specify _____

3. Size of Lot : _____ Hectares/square meters
4. Shape of Lot: _____
5. Topography
 - _____ Flat
 - _____ Rolling/highly elevated
 - _____ Below street level
6. Other Physical Characteristics (i.e creek, transmission line, prone to flooding, etc.) _____

IV NEIGHBORHOOD

1. Area Surrounding the Site
 - _____ Developed
 - _____ Semi-Developed
 - _____ Undeveloped
2. Peace and Order Situation

V. FACILITIES AND UTILITIES

1. Water Supply
 - _____ Direct line to waterworks system
 - _____ Indirect line to waterworks system
 - _____ Deepwell
2. Drainage
 - _____ Outlet thru creek/river
 - _____ Outlet thru private drainage system
 - _____ Outlet thru drainage right-of-way
3. Availability of Power
 - _____ With power lines within the property
 - _____ With power lines from access road
 - _____ No available power lines
4. Type of Road that Services the Area
 - _____ Well-paved cemented or asphalted
 - _____ Cemented or asphalted not well maintained
 - _____ Dirt or unsurfaced road

VI. ACCESSIBILITY

- 1. Distance to main transportation line _____ Km.

- 2. Availability of Public Utilities
Bus/Jeepneys/other _____ Frequency of trips _____
Fare _____ Route _____

- 3. Distance of Site to Service/Facilities

Schools _____ Distance _____
Market/Commercial Center _____ Distance _____
Recreational _____ Distance _____
Municipality/City/Provincial Hall _____ Distance _____
Employment Opportunities _____ Distance _____
Churches _____ Distance _____
Industrial Centers _____ Distance _____

4. OTHER INFORMATION/REMARKS

5. RECOMMENDATIONS

Prepared by:

HOW TO OBTAIN AN ORIGINAL CERTIFICATE OF TITLE

The principal function of the LRA is the issuance of land titles. The following are the steps in the judicial registration of land leading to the issuance of the Original Certificate of Title:

1. **SURVEY OF LAND** – The land must be surveyed by a licensed surveyor who shall prepare a plan on tracing cloth or Diazo Polyester film
2. **APPROVAL OF PLAN** - The plan should be approved by the Director of Lands/ Regional Lands Director/ Regional Technical Director having jurisdiction of the place where the property is situated. Said plan must be accompanied by the corresponding technical description and that the same must be verified and certified by the Director of Lands/ Regional Lands Director/ Regional Technical Director or his duly authorized official representative to make such certification.
3. **FILING OF APPLICATION** - The application for land registration shall be in writing and be filed in the Regional Trial Court of the place where the land is situated. It shall be prepared in seven (7) copies, signed and sworn to by the applicant.
 - a. The original plan on tracing cloth or Diazo Polyester Film duly approved by the Director of Lands/ Regional Lands Director/ Regional Technical Director or in lieu thereof, a true copy of the same on tracing cloth or Diazo Polyester Film properly attested and certified to the said office
 - b. The original plan on tracing cloth or Diazo Pointer Film properly attested and certified by the said office or the official authorized to make such certification together with (2) print copies thereof.
 - c. Three (3) copies of the technical description duly verified and certified by the Regional Technical Director or his duly authorized official representative and that the same must be in due form consistent with LRC Circular 365.
 - d. Three (3) copies of the surveyor's/Geodetic Engineer's Certificate or Certificate of Non-Availability, Tax Declaration Assessment Certificate
 - e. Four (4) copies of the latest Tax Declaration or Assessment Certificate from Assessor's Office of the place where the land is situated.

The application shall contain the following data and information:

1. Description of the land
2. Civil status of the applicant whether married or not; if married, the name of the wife or husband, and if unmarried, whether he or she has been married, and if so, when and how marriage relation was terminated, and if divorced, when, where and what court the decree was granted. If the applicant is minor, statement of his/her age.
3. Full names and addresses of the applicants, the occupants of the land, and all adjoining owners if known; if unknown, statement showing what

search has been made to find them, if applicant is minor, the full name and address of his or her legal guardian

4. Citizenship of the applicant
4. **LAND REGISTRATION CASE NUMBER** – The Clerk of Court shall assign the “Land Registration Case Number” upon receipt of the application
5. **DATE OF HEARING** – The Court shall set date of hearing of the application in accordance with Section 23 of PD 1529 and LRC Circular No. 353. The Court Order setting the date of initial hearing shall be sent to LRA together with the duplicate copy of the application; original or certified copy of plan on tracing cloth or Diazo Polyester Film; duplicate original copy of the technical description; surveyor’s certificate; latest Tax Declaration; and proof of payment of publication fee in the Official Gazette to enable us to cause publication of Notice of Initial Hearing in the Official Gazette.
6. **PUBLICATION.** The Notice of Initial Hearing prepared by the LRA shall be published once in the Official Gazette and once in a newspaper of general circulation in the Philippines.

The cost of publication in the Amount P1,012.50 if the application embraces one lot and an additional amount of P322.50 for every lot in excess of the first shall be paid by the applicant to the Clerk of Court upon filing of his application who shall remit the amount to the Director, National Printing Office.

7. **OPPOSITIONS-** All persons who claim ownership or any interest in the land may file in court oppositions to the application so that their rights may be heard.
8. **EVIDENCE** – The applicant and the oppositors shall present evidence to prove ownership during the hearing
9. **DECISION** - After hearing, the court shall render decision confirming the title of the person who has proven his ownership. When the decision becomes final, the court shall issue an Order directing the Administrator of the LRA to issue a Decree of Registration in favor of the said person.

DECREE AND REGISTRATION.- Upon receipt by the Registrar of Deeds of the Original and duplicate of the Original Certificate of Title of Decree of Registration, the Registrar of Deeds shall indicate the corresponding OCT Number and file the same in his office. The Register of Deeds shall issue the owner’s duplicate copy of the Original Certificate of Title to the registered owner upon payment of legal fees.

COMPUTATION OF AFFORDABILITY

Affordability can be determined on the basis of loan capacity of household which is related to income and expenses. Data and assumptions needed are:

- Income groups and typical monthly income
- % of income devoted to capital costs of new housing (Reference can be made to the Family Income and Expenditures Survey)
- Loan terms (repayment period, interest rate)
- Regional or local poverty threshold and incidence (source: NEDA)

Example 1:

1. Typical (Median) monthly income = P10,000
of targeted beneficiaries
2. Average % of income spent for housing (Refer to FIES 1997) = 9%
Range is 9% - 11% (Rural)
Range is 14% - 17% (Urban)
3. Annual income for capital costs = 12 x Ave. % x Monthly Income
= 12 x 9% 10,000 = P10,800
4. Loan Terms:
30 years; 6% p.a. interest; monthly amortization

SAMPLE COMPUTATION (*HDMF Housing Loan Rates*)

LOAN AMOUNT	Interest Rate	Monthly Amortization	Loan Term (In Years)	Net Disposable Monthly Income
Php100,000.00	6%	Php599.55	30	1,498.88
150,000.00	6%	899.33	30	2,248.31
200,000.00	6%	1,199.10	30	2,997.75
300,000.00	6%	1,798.65	30	4,496.63
400,000.00	7%	2,661.21	30	6,653.02
500,000.00	7%	3,326.51	30	8,316.28
600,000.00	7%	3,991.81	30	9,979.54
700,000.00	7%	4,657.12	30	11,642.79
750,000.00	7%	4,989.77	30	12,474.42
800,000.00	10.5%	7,317.91	30	18,294.79
900,000.00	10.5%	8,232.65	30	20,581.63
1,000,000.00	10.5%	9,147.39	30	22,868.48

LIST OF REQUIREMENTS FOR ISSUANCE OF PERMITS

1. Department of Agrarian Reform (DAR) Clearance

- Certified copy of Title (OCT/TCT) and/or other legal documents establishing land ownership.
- Department of Agriculture (DA) certification that the land has ceased to be productive economically and agriculturally.
- LGU Certification that the project is inside the proper zone (land use plan/zoning ordinance)
- Proposed project site characterization outline (project details, environmental settings, mitigation measures)
- Cadastral/vicinity map
- Photographs of the project site

2. Department of Environment and Natural Resources – Environmental Management Bureau (DENR–EMB) Approval

- The LGU shall prepare and submit an Initial Environment Examination (IEE) for Community Housing Projects to EMB

3. Sanggunian Approval

- Upon completion of the required clearance and documents, the proposed project shall then be submitted to the Sanggunian for deliberations and approval.

4. Department of Environment and Natural Resources – Land Management Bureau (DENR-LMB) Verification and Approval

- Approved subdivision plan, surveys and technical descriptions of the project for title verification.

5. Housing and Land Use Regulatory Board (HLURB) Certificate of Registration and License to Sell

The LGU shall accomplish the following documents as per HLURB requirements:

- TCT/OCT duly stamped with original marking “certified true copy”
- LGU’s audited balance sheet and financial statement
- Authority (certification) to engage in the development and selling of the subject property
- Copy of brochure, circular, prospectus, advertisement or communication used
- Sample copy of Contract to Sell or Award
- Environmental Compliance Certificate (ECC) or Certificate of Exemption issued by the DENR-EMB)
- Approved/verified survey plan
- Approved subdivision Plan

6. Land Registration Authority (DOJ-LRA) and the Register of Deeds’ Registration of Title

The LGU shall then apply for registration of title before the Land Registration Authority (DOJ-LRA) and the Register of Deeds with the following accompanying documents:

- Original plan approved and certified by the Office of the Regional Director
- Property technical description
- Surveyors certificate
- Assessed value of the property



DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF THE INTERIOR AND LOCAL
GOVERNMENT



JOINT MEMORANDUM CIRCULAR NO. 2003-1
March 20, 2003

TO : ALL PROVINCIAL GOVERNORS; CITY AND MUNICIPAL MAYORS; BARANGAY CHAIRMEN; NATIONAL/PROVINCIAL/CITY/ MUNICIPAL PRESIDENTS, LEAGUE OF PROVINCES/CITIES/ MUNICIPALITIES AND BARANGAYS; AND OTHER OFFICIALS CONCERNED

SUBJECT : **USE OF LOCAL CALAMITY FUND APPROPRIATION FOR MAN-MADE DISASTER RELIEF AND MITIGATION**

1. This joint circular is issued to clarify that the annual lump appropriations of local government units for relief, rehabilitation, reconstruction and other works or services in connection with calamities which may occur during the budget year, mandated under Section 324 (d) of RA No. 7160, otherwise known as the Local Government Code of 1991, as amended by RA No. 8185, may be validly used for relief, rehabilitation, reconstruction and other works or services in connection with man-made disasters resulting from unlawful acts of insurgents, terrorists and other criminals as well as for disaster preparedness and other pre-disaster activities
2. Such relief, rehabilitation, reconstruction and other works or services including pre-disaster activities in connection with such man-made disasters may, at the discretion of the local government unit concerned, include the following:
 - 2.1. Medical assistance, death and funeral benefits to the victims, their dependents and immediate families, including victims who are Overseas Filipino Workers (OFWs).
 - 2.2. Financial assistance and other services for medical, rescue and relief workers who have been tasked to attend to the victims.
 - 2.3. Preparation of relocation sites/facilities, disaster preparedness training and other pre-disaster activities.
3. It is understood that the guidelines and procedures prescribed under the Rules and Regulations Implementing RA No. 8185 governing the allocation and utilization of local Calamity Fund appropriations shall be strictly observed.
4. This joint circular shall take effect immediately.
5. Please be guided accordingly.

(Signed)
EMILIA T. BONCODIN
Secretary
Department of Budget and
Management

(Signed)
JOSE D. LINA
Secretary
Department of the Interior
and Local Government

DOCUMENTARY REQUIREMENTS FOR HOA REGISTRATION

- **Articles of Incorporation** – signed by all 5 to 15 incorporators on the last page. Notarized.
- **By-Laws**- signed by all 5 to 15 incorporators on the last page.
- **Written Undertaking by the Incorporators** – to change the corporate name in the event that another person, firm or entity has acquired a prior right to the use of said name or one similar to it; and to comply with all the rules and regulations of the HLURB.
- **Information Sheet** – contains the name of the association, principal office address, list of board of directors and trustees and their addresses, list of officers and their positions, list of members of the association. Notarized.
- **Certification** – as to the existence or absence of a HOA in the subdivision, territorial jurisdiction of the HOA, name and address of the nearest existing HOA. Notarized.
- **Authorization** – written authority of the representative of the association. Notarized.
- **Letter of Intent to Buy**
- **Subdivision Plan** – with an approval stamped by the HLURB
- **HOA TIN:**

Additional Requirements for CMP

- **Location and Vicinity Map (on-site or off-site), Site Development Plan (off-site only)** – signed and certified by a geodetic engineer or surveyor.
- **List of Officers and Members – stating** the nature of their occupancy as owner or tenant.
- **Letter of Intent to Sell or Contract to Sell, Deed of Absolute Sale or Memorandum of Agreement** – original notarized copy.
- **Transfer Certificate of Title** – certified true copy of the TCT from the Register of Deeds
- **LGU Certificate** – certification from the city or municipal engineer’s office that the area is not flood prone, not within danger zone, and is suitable for housing
- **Bio-Data** – personal circumstances of the directors and officers of the association

“ If association is previously registered with SEC after May 1979, a Board Resolution dissolving the Association, ratified by a majority of the members, must be filed with the SEC/”

-----All Documents are Submitted in Three (3) Copies -----.

COOPERATIVE PABAHAY PROGRAM

The Cooperative Pabahay Program is an alternative housing approach that entails partnership undertaking with financially and organizationally-stable cooperatives to address the housing problems of its low-income earners through its own cooperative efforts in planning, and direct production of affordable, decent and adequate housing units.

Unique features

1. Priority housing beneficiaries are the coop's members who are homeless low-income earners
2. Sustained ownership by the Cooperative
3. Access to fund sources
4. Equal sharing of benefits and responsibilities among cooperative members
5. Savings scheme for Housing Fund
6. Direct participation of the Cooperative along: '
 - o Project development and management
 - o Sustenance of community- development along housing; livelihood and maintenance of basic utilities
 - o Actual land development and housing units construction

Who can avail the CPP?

As qualified Cooperatives duly-certified by the National Housing Authority to have passed all its evaluation requirements, Associations/POs must seek accreditation/ registration with Coop Development Authority.

NHA Technical Assistance Package

- a. Consultancy services on the preparation of Project Feasibility Study, Architectural and Engineering plans
- b. Assistance on BIR Tax Exemption
- c. Access to Financial Sources
- d. Assistance in Loan Documentation and Packaging
- e. Capability Building and trainings
- f. Referral to potential developer for land development and/or house construction

Requirements for Availment of NHA's Technical Assistance

1. NHA Certificate of Eligibility to undertake housing
2. COA Registration/Confirmation Certificate
 - Cooperative Profile
 - History
 - Officers' Profile
 - Committees
 - Programs & Services
 - Annual Report
3. List of Prospective housing beneficiaries and income profile
4. Copy of Articles of Cooperation & By Laws
5. Audited Financial Statements with cash flow for the last 2 years
6. Vicinity Map of proposed housing site
7. Description of Existing or Planned Savings Program for housing
8. Certificate of Affiliation to federations/unions
9. Certificate/s of Award/s received

UDHA COMPLIANCE CHECKLIST

Name of LGU: _____

Date _____

CHECKLIST	Yes	No	Remarks
Does the LGU have			
Comprehensive Land Use Plan			<ul style="list-style-type: none"> • When was the CLUP prepared? • Has it been approved by the Sanggunian? • Has it been approved by the HLURB?
Municipal Urban and Development and Housing Office?			<ul style="list-style-type: none"> • What is the basis for creation? • Does it have an annual budget? • How many personnel does it have?
Municipal Urban and Development and Housing Board			<ul style="list-style-type: none"> • What is the basis for creation? • Does it have an annual budget? • How many personnel does it have? • Has it passed policies on housing and urban development?
Urban Poor Affairs Office			<ul style="list-style-type: none"> • What is the basis for creation? • Does it have an annual budget? • How many personnel does it have?
Committee on Housing at the Sanggunian			<ul style="list-style-type: none"> • How many ordinances on housing and urban development has it passed? • How many councilors are members?
Local Shelter Plan			<ul style="list-style-type: none"> • Was the Shelter Plan integrated in the Local Development Plan/ Local Development Investment Plan? • Is there an ordinance ratifying it?
Zoning Ordinance			<ul style="list-style-type: none"> • Is the Zoning Ordinance being implemented? • When was it enacted?
Other Offices responsible for housing			<ul style="list-style-type: none"> • What office is responsible for housing ?

2. LAND INVENTORY

Does the LGU have an approved CLUP which identifies socialized housing sites?			<ul style="list-style-type: none"> • In case it has not been updated, why is it not yet updated?
Does the LGU have a Land Inventory ?			<ul style="list-style-type: none"> • Has there have been changes in the second Inventory from the first inventory? • What caused these changes?
Has the LGU identified sites for socialized housing?			<ul style="list-style-type: none"> • Has the LGU identified sites for socialized housing? • How many hectares of government land are unused since Mar. 29, 1982 (10 years before Mar. 29, 1992, the effectivity date of UDHA) have been identified?
			<ul style="list-style-type: none"> • From those identified for socialized housing, what are those found in the land inventory?
			<ul style="list-style-type: none"> • Where are these lands located? (Whether on-site or off-site; within the Municipality; within Metro Cities or outside)

		<ul style="list-style-type: none"> • What are the classifications of these lands? (Government-owned alienable lands of the public domain; unregistered or abandoned and Idle lands; within tie declared areas for priority development; zonal improvement program sites; slum improvement and resettlement program sites; Bagong Lipunan Improvement of Sites and Services; privately owned lands) • Who owns the land? • How many lots per classification, what are the size (in has. or sq. in.)?
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4. LAND ACQUISITION

Has the LGU acquired lands for socialized housing?		<ul style="list-style-type: none"> • Did the LGU acquire the entire property? If not, just how big was or were the lot/s that you acquired? • Why did the LGU not acquire it wholly? (Give the location, classification, how many lots per classification and who owns them) • Aside from those identified as sites for socialized housing, were there any other lands acquired? • If there are, where are the locations and what are its classification?
		<ul style="list-style-type: none"> • How many parcels or how much land did the LGU acquire for on-site development or slum improvement, In-city, within Metro Cities or outside Metro Cities relocation?
Has the LGU undertaken any of the modes of land acquisition?		<ul style="list-style-type: none"> • (From the lands acquired) What are the modes of land acquisition that have been used? -Community mortgage, land swapping, land assembly or consolidation, land banking, donation to the government, joint-venture agreement, negotiated purchase, o expropriation? • How many idle lands were expropriated? • How many were government owned or privately owned?

6. DISPOSITION OF LANDS FOR SOCIALIZED HOUSING

Has the LGU disposed any of the acquired lands?		<ul style="list-style-type: none"> • Were these used for socialized housing? if not, why? if they were used, who developed the land? • How much was the total project cost? • How many houses/ units were built?
Does the LGU recover the cost of disposed lands?		<ul style="list-style-type: none"> • How many benefited from the disposition of the acquired lands? • Were these given for free, leased-purchased or on lease-purchase agreement? • If beneficiaries are paying, how much? • (If there are those who do not pay even if it's not for free) Why are they not paying? • What action did the LGU take on those who do not pay? • Where did the beneficiaries come from? • Were the recipients UDHA beneficiaries?

7. SOCIALIZED HOUSING BENEFICIARIES		
Has the LGU conducted a registration of UDHA beneficiaries?		<ul style="list-style-type: none"> • When was the registration of beneficiaries made?
		<ul style="list-style-type: none"> • How was this done? Were City/Municipal and Barangay Registration Committees formed?
		<ul style="list-style-type: none"> • How many program beneficiaries were listed? • How many were residing on: public lands, private lands, infrastructure project sites, or danger areas?

8. PROFESSIONAL SQUATTERS / SQUATTING SYNDICATES AND NEW ILLEGAL STRUCTURES		
Has the LGU undertaken any action against professional squatters and squatting syndicates?		<ul style="list-style-type: none"> • What is the LGUs definition of the term 'professional squatters'? • How about squatting syndicates?
		<ul style="list-style-type: none"> • Has the LGU arrested or charged professional squatters and or squatting syndicates? • Where are they now? • Were their residential structures demolished? • How many families were involved? • How many are children, women and elderly?
		<ul style="list-style-type: none"> • From 1992, after a census of all 'illegal structure' was done, has there been any increase that was recorded of late? • How many families or structures were added? • Why did the LGU or Barangay allowed this to happened?
		<ul style="list-style-type: none"> • Has the LGU caught / destroyed any new illegal structures? • In what places did these happen? • How many families were involved? • How many are children, women and elderly?
		<ul style="list-style-type: none"> • Of the professional squatters, squatting syndicates and new illegal structures that were demolished were the affected families given relocation, given socialized housing program, or included in the slum upgrading?
		<ul style="list-style-type: none"> • Has the city government or the barangay council received any administrative sanction for allowing or not doing anything on the presence of 'new illegal structures' in their areas of responsibility? • What kind of administrative sanction did they receive?

9. POPULATION MOVEMENT		
Does the LGU have any policy regarding in-migration and out migration?		<ul style="list-style-type: none"> • Does the LGU have any record of in-migration and out-migration in their locality?

10. EVICTION AND DEMOLITION		
Is the LGU aware of the procedures on demolitions and evictions?		<ul style="list-style-type: none"> • How many demolitions and evictions were undertaken from 1997-1999? • Where did this happen? • What were the reasons? (private lands, danger areas, esteros, railroad tracks, garbage dump sites, river-banks, shorelines, waterways, sidewalks, roads parks, play-grounds, government infrastructure projects - roads, bridges, buildings, etc., court order for eviction and demolition)

			<ul style="list-style-type: none"> • How many families were affected? • How many are children, pregnant women, and elderly? • Were there any special treatment / support / assistance given to them? • If there were, what were those? if there was none, why?
			<ul style="list-style-type: none"> • What is the LGU's apparatus / mechanism for demolitions and evictions? • What department or agency is responsible for this? • Does the LGU have its own regular demolition crews? • If none, does it hire or form demolition teams? • If there's a regular demolition crew, does it experience shortage of manpower? • If it does, does it hire additional/contractual manpower?
			<ul style="list-style-type: none"> • Has it established its own Task Force on Relocation and Resettlement? • Does it form an Action Team every time a demolition/eviction is to be carried out? (Ask for every demolition that was conducted) • Does it organize Inter-Agency Meetings? • Are NGOs and PO representatives invited to these meetings?
EVICTION AND DEMOLITION			<ul style="list-style-type: none"> • How often do the judges and sheriffs coordinate with the LGUs in the implementation of court-ordered demolitions? • Of the demolitions that have been conducted, in what particular cases did the judges and sheriffs coordinate their efforts with the LGU?
			<ul style="list-style-type: none"> • Does the Task Force or the LGU's demolition arm maintain records of the demolitions and evictions it has undertaken?
			<ul style="list-style-type: none"> • Has the LGU identified site/s for slum upgrading or on-site development? • Where are these located? • What is the size/area of the lands? • How many families are living there?
			<ul style="list-style-type: none"> • What are the processes that the upgrading or development of the place went through? Identify the participation of or linkages between and/ among PO/ NGO and GO?
			<ul style="list-style-type: none"> • Has there been sites identified for resettlement? • Where are these located? • Have many resettlement sites are located within the city? • Where? • What are their sizes?
			<ul style="list-style-type: none"> • How many of those identified as sites for resettlement have been used? How many families or people have been resettled there? How many are women, children, and elderly? When were they resettled? Where did they come from? Were they transferred there first before their houses were demolished or were their houses demolished first before they were transferred?

			<ul style="list-style-type: none"> • Among the resettlement sites, which belongs to the national government? (NHA, DPWH, etc.) Has the LGU entered into a partnership I joint venture with the National Government to establish, resettlement sites? Of the resettlement sites enumerated, which are the ones where there Is a partnership between the LGU and the National government?
11. MEDIUM-RISE HOUSING			
Does the LGU have its own medium-rise housing program?			<ul style="list-style-type: none"> • How many housing units have been built? How many are the beneficiaries? What is their tenure? (ownership, lease, lease with option to purchase) • What is the price per unit? What is the mode of payment?
12. COMMUNITY MORTGAGE PROGRAM			
Has the LGU undertaken CMP projects in their area?			<ul style="list-style-type: none"> • Is the LGU a CMP originator? • How many community mortgage projects has it undertaken? • How many are he beneficiaries?
13. RENTAL HOUSING			
Has the LGU undertaken rental housing projects in their area?			<ul style="list-style-type: none"> • Of the housing projects mentioned, which one were intended for rental housing? • Is the LGU able to implement estate Management Policies? • Is it able to collect rent I payment from the beneficiaries? • Are there families who do not pay? Why?
			<ul style="list-style-type: none"> • How many units have been occupied? • How many families are living there? • Of these sites, how many are renting? How much is the rent?
			<ul style="list-style-type: none"> • How are the beneficiaries for the rental housing identified?
			<ul style="list-style-type: none"> • Who is in-charge of building maintenance? How much is spent for its maintenance? Where does the budget for this come from?
14. BASIC SERVICES, COMMUNITY FACILITIES AND LIVELIHOOD			
Is the LGU aware of its role in providng basic services, community facilities and livelihood to serve socialized housing projects?			<ul style="list-style-type: none"> • (From the list of socialized housing, slum upgrading/ on-site development and resettlement, ask) • Are the following facilities and/or services present in the area: water system, electricity, sewerage system, solid waste disposal system, access to primary roads and transportation, health centers / hospitals, schools, telephones, police stations/precinct, and recreational facilities? • Were these given or built by the LGU or was the site chosen for its proximity to these facilities?
			<ul style="list-style-type: none"> • Are the sites located near areas where employment opportunities are accessible? • What kinds of jobs are available in the areas?
			<ul style="list-style-type: none"> • Are there livelihood programs for the people? • What are these? • Are there any other organizations (private, NGOs, etc.) providing livelihood programs for the people? Please name them.

			<ul style="list-style-type: none"> • How many are the beneficiaries of the programs? • How many are males, females, youth?
			<ul style="list-style-type: none"> • Where do the funds come from?

15. PARTICIPATION OF BENEFICIARIES/ORGANIZATION

Does the LGU provide a mechanism for the participation of beneficiaries			<ul style="list-style-type: none"> • How do the beneficiaries participate in the LGU's housing and related programs?
			<ul style="list-style-type: none"> • Did the people have an organization in the community where they were in prior to the housing program that they received? • How were they formed into an organization? • If they were transferred to another site, did their organization remain intact or did they form another one? • If they formed another one, who helped them form the new organization?

16. OTHER LOCAL HOUSING PROJECTS

Does the LGU have other housing projects with the National Government and other private agencies and institutions?			<ul style="list-style-type: none"> • Does the LGU have other housing projects prior to 1992 that are still being used for resettlement?
			<ul style="list-style-type: none"> • Where are the project/s located? • What agency or institution is/are involved? • What is the size of the project? • How many lots and/or units are generated? • How many are the beneficiaries from each housing project?

17. PROMOTION OF INDIGENOUS HOUSING MATERIALS AND TECHNOLOGIES

Has the LGU promoted/used indigenous housing materials and technologies ?			<ul style="list-style-type: none"> • What housing technologies were employed in the construction of the housing projects? • What materials were the housing projects made of? • Did the LGU spent less or was able to save somehow with the technology and materials that were used?
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18. BALANCED HOUSING DEVELOPMENT

Has the LGU benefited from the balanced housing development provision of UDHA?			<ul style="list-style-type: none"> • Who are the developers who have had housing projects In the city/municipality? • How many developers have complied with the balanced housing development provision of the UDHA?
			<ul style="list-style-type: none"> • How many housing units were generated from its implementation? • How did the developer comply with the 20% balanced housing development provision (development of new settlement, slum upgrading or renewal of areas for priority development through zonal improvement programs or slum improvement and resettlement programs, joint venture projects with LGU or other housing agencies, CMP)?

19. COST RECOVERABLE PROGRAM

Does the LGU consider cost recovery in its own housing programs I projects I investments?			<ul style="list-style-type: none"> • How does it undertake collection? • What is its collection efficiency?
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20. FUNDING

Does the LGU have a budget for housing and urban development projects?			<ul style="list-style-type: none"> • Where does the LGU gel its funds for socialized housing and resettlement programs?
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REPUBLIC OF THE PHILIPPINES

Congress of the Philippines

Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, nineteen hundred and ninety-one.

(REPUBLIC ACT No. 7279)

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

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

ARTICLE I

TITLE, POLICY, PROGRAM AND DEFINITION OF TERMS

Section 1. Title. "This Act shall be know 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 the State to undertake, in cooperation with the private sector a comprehensive and continuing Urban Development and Housing Program, hereinafter referred to as the Act 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 dysfunctions, 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;
 - e. 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 interests, which shall include appropriate documentation and feedback mechanisms;

- e. "Idle lands" refers to non-agricultural lands in urban and urbanizable 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 for 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 corporations 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 land 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 processing of upgrading and rehabilitation of blighted and slum urban areas with a view of minimizing displacements 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 been previously awarded home lots 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 period. 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, unreasonable 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 residential land 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 home lots 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 which has been abandoned by reason of *force majeure* or any other fortuitous event: *Provided*, That prior to such event, such land was previously used for some useful or economic purpose;
- 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 kilometer;
- 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 of ZIP" refers to the program of the National Housing Authority of upgrading and improving blighted squatter areas within the cities and municipalities of

Metro Manila pursuant to existing statutes and pertinent executive issuances.

ARTICLE II

COVERAGE AND EXEMPTIONS

Sec. 4. Coverage. – The Program shall cover all lands in urban and urbanizable areas, including existing areas for priority development, zonal improvement sites, slum improvement and resettlement sites, and in other areas that may be identified by the local government units as suitable for socialized housing.

Sec. 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
- e. 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 III

NATIONAL URBAN DEVELOPMENT AND HOUSING FRAMEWORK

Sec. 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 projects and activities of government agencies and the private sector which may substantially affect urban land use patterns, transportation and public utilities, infrastructure, environment and population movements shall be undertaken with the concurrence of the local government units concerned.

ARTICLE IV

LAND USE, INVENTORY, ACQUISITION AND DISPOSITION

Sec. 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 lands and improvements thereon within their respective localities . The inventory shall include the following:

- a. Residential lands;
- b. Government-owned lands, whether owned by the National Government: or any of its subdivision, 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.

Sec. 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 the degree of availability of basic services and facilities, their accessibility and proximity to job 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 act 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.

Sec. 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 subdivision, 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 or Sites and Services or BLISS sites which have not yet been acquired; and
- f. Privately owned lands.

Where on-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.

Sec. 10 Modes of Land Acquisition - The modes of acquiring lands for the purposes of this Act shall include, among others, community mortgage, land swapping , land assembly or consolidation , land banking donation to the Government, joint-venture

agreement, negotiated purchase and expropriation: Provided, however, That expropriation shall be resorted to only when other modes of acquisition have been exhausted. Provided, further, That where expropriations is resorted to, parcels of land owned by small property owners shall be exempted for purpose 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 procedures laid downs 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 primarily through negotiated purchase: Provided, That qualified beneficiaries who are actual occupants of the land shall be given the right of the first refusal.

Sec. 11. Expropriations 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. Expropriations 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 or those the ownership of which is subject of a pending litigation.

Sec. 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 purpose of this Act.

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

Sec. 13 Valuation of Lands for Socialized Housing - Equitable land valuation guideline for socialized housing shall be set by the Department of Finance on the basis of the market value reflected in the zonal

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

For sites already occupied by qualified Program beneficiaries, the Department of Finance shall factor into the valuation the blighted status of the land as certified by the local government unit or the National Housing Authority.

Sec. 14. Limitations on the Disposition of Lands For Socialized Housing - No land for socialized housing, including improvement or rights thereon, shall be sold, alienated , conveyed or encumbered or leased by any beneficiary of this Program except to qualified Program beneficiaries as determined by the government agency concerned.

Should the beneficiary unlawfully sell, transfer, or otherwise dispose of his lot or nay 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

Sec. 15. Policy - Socialized housing, as defined in Section 3 hereon, 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.

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

- a. Must be a Filipino;
- 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.

Sec. 17. Registration of Socialized 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 their respective localities.

Sec. 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.

Sec. 19. Incentive 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 kind, 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.

Sec. 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 sector:

- 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 issuances 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 and completed projects; and
 - 5. Donor's tax for lands certified by the local government units to have been donated for 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 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.

SEC. 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 power distribution system; and
- d. Access to primary roads and transportation facilities.

The provision of other basic services and facilities such as health, education, communications, security, recreation, relief and welfare shall be planned and shall be given priority for implementation by the 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 a mechanism to coordinate operationally the thrusts, objectives and activities of other government agencies concerned with providing basic services to housing projects.

SEC. 22. *Livelihood Component.* – To the 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.

SEC. 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 their legitimate collective interests which shall include appropriate

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

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

ARTICLE VI

AREAS FOR PRIORITY DEVELOPMENT, ZONAL IMPROVEMENT PROGRAM SITES AND SLUM IMPROVEMENT AND RESELLEMENT PROGRAM SITES

Sec. 25. *Benefits.* -In addition to the benefits provided under existing laws and other related issuances to occupants of areas for priority development, zonal improvement program sites, such occupants shall be entitled to priority in 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%) deductions from every homebuyer's gross income tax of all interest payments made on documented loans incurred for the construction or purchase of the homebuyer's house;
- c. Exemption from the payment of documentary stamp 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
- e. Such other benefits that may arise from the implementation of this Act.

ARTICLE VII

URBAN RENEWAL AND RESETTLEMENT

SEC. 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 organizations 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 or a fine of not less than Sixty thousand pesos (P 60,000) but not more than One hundred thousand pesos (P 100,000), or both, at the discretion of the court.

SEC 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 affected persons or entities at least thirty (*30) days prior to the date of eviction or demolition;
2. Adequate consultations on the matter of resettlement with the duly designated representatives of the families to be resettled and the

affected communities in the areas where they are to be relocated;

3. Presence of Local government officials or their representatives during eviction or demolitions;
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 other of concrete materials;
7. Proper uniforms for members of the Philippines 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 judgment 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.

The 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.

SEC 29. Resettlement. - Within 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 such 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.

SEC. 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 barangay, municipal or city government units shall prevent the construction of any kind of illegal dwelling units or 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 sanction under existing laws and to penal sanctions provided for in this Act.

ARTICLE III

COMMUNITY MORTGAGE PROGRAM

Sec 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 neighborhood and homes to the extent of their affordability.

SEC. 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 negotiated 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 arrearages in payments of amortization for three (3) months.

SEC. 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 beneficial 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

SEC. 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.

SEC. 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.

SEC. 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.

SEC. 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, from 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 provide advanced planning information to national and local government planners on population projections and the consequent levels 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.

SEC. 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 socioeconomic development in the countryside.

ARTICLE X

PROGRAM IMPLEMENTATION

SEC. 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.

SEC. 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 accordance 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 and appropriate guarantee scheme to encourage financial institutions to go into direct lending for housing.

SEC. 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**

Sec. 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 Estates 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 and shall be administered by the National Home 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;
- e. 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 sale or disposition of alienable public lands in urban areas; and
- g. Domestic and foreign investment or financing through appropriate arrangements like the build-operate-and-transfer scheme.

Sec. 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 (P 50,000).

**ARTICLE XII
TRANSITORY PROVISIONS**

SEC. 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**

Sec. 45. Penalty Clause. – Any 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 (P 5,000) but not more than One hundred thousand pesos (P 100,000), 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 corporation, partnership, association or juridical entity who caused the violation.

SEC. 46. Appropriations. – The amount necessary to carry out the purposes 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.

SEC. 47. Separability Clause. – If for any reasons, any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

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

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