



**HUDCC RESOLUTION NO. 2**  
**Series of 2011**

**ADOPTING THE POLICY AND PROGRAM THRUSTS**  
**FOR HOUSING AND URBAN DEVELOPMENT**

**WHEREAS**, Section 9, Article XIII of the Philippine Constitution provides that the State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost, decent housing and basic services to under-privileged and homeless citizens in urban centers and resettlement areas.

**WHEREAS**, Section 9, Article XIII of the Philippine Constitution provides that urban or rural poor dwellers shall not be evicted nor their dwellings demolished, except in accordance with law and in a just and humane manner.

**WHEREAS**, Section 3 of Executive Order No. 90, series of 1986, charges Housing and Urban Development Coordinating Council (HUDCC) with the main function of coordinating the activities of the government housing agencies to ensure the accomplishment of the National Shelter Program.

**THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED** that the HUDCC adopt the following Policy and Program Thrusts:

1. Development of a strong, cohesive and responsive team, composed of the HUDCC, Key Shelter Agencies (KSAs) and other stakeholders, that will provide the impetus in bringing significant changes and institutional reforms in the housing sector;
  - 1.1. Rationalization of HUDCC to reflect a responsively energized production machinery and to empower HUDCC in leading urban development to bring about quality communities and home;
  - 1.2. Creation of the Department of Housing and Urban Development (DHUD).
2. Creation of alternative funds and putting every conceivable idea of mobilizing resources into effective use to spur housing production;

- 2.1. Reestablishment of a single lending window for housing, revival of the contributions of the SSS, GSIS and other GFIs into the housing sector pool, and commencement of a new and integrated approach of dispensing homebuyers loans to their members and to the extended members in the informal sector;
  - 2.2. Enactment of a new law that will provide funding to the housing sector, similar to RA 7835 or the Comprehensive and Integrated Shelter Finance Act (CISFA);
  - 2.3. Development of an effective and viable secondary mortgage market by purchasing home mortgages originated by both public and private financing institutions, enabling these institutions to redeploy funds for primary lending to other homebuyers;
  - 2.4. Rationalization of the guaranty system that will promote sustainable home ownership to middle and low-income families by covering risks with guarantees while boosting the flow of funds for housing and urban development through securitization of capital in-flows coming from government and private banks, investment bankers and portfolio investors;
  - 2.5. Engagement of rural banks and other micro finance institutions to implement a housing micro finance program, catering to the marginalized sector and rural homebuyers;
  - 2.6. Enhancement of access to the Official Development Assistance (ODA) and partnership with bilateral and multilateral arrangements such as the World Bank, ADB, USAID, to fund slum improvement, resettlement and secure tenure projects;
  - 2.7. Conversion of non-performing assets of KSAs into realized values that can mobilize resources for housing, such as disposition through joint venture arrangements or land swap mechanisms;
  - 2.8. Outsourcing of collection of receivables and focusing of manpower resources of KSAs to their primary mandates.
3. Establishment of a strong partnership with local government units (LGUs) to accelerate housing production, reduce costs, and make houses more affordable;
- 3.1. Enactment of a law on the creation of a Local Housing Board (LHB) in every city/municipality to fast track the delivery of housing services as well as the disposition of underutilized assets of the National and Local Governments for housing purposes;
  - 3.2. Institutionalization of capability-building program that will heighten the awareness of the LGUs on their role as key actors in ensuring sustainable housing and urban development and enhance their capacity to address housing and urban development concerns;

4. Creation of an investment-friendly environment in the housing industry;

4.1. Vigorous encouragement of the implementation of the Public-Private Partnership (PPP) Program, particularly in the development of proclaimed sites or the following properties of KSAs:

- a. North Triangle, Quezon City;
- b. New Bilibid Prison (NBP) Reservation, Muntinlupa;
- c. Old Bilibid, Manila
- d. 18-hectare NGC Commonwealth Enterprise Zone, Quezon City;
- e. 1500-hectare property in San Miguel, Bulacan.

4.2. Enactment of a law providing tax and fiscal incentives to private developers or investors and regular examination of the extent of VAT exemption on the sale of housing units and capital gains exemption credits to donors of lands intended for socialized housing to NGOs and the government.

4.3. Implementation of the grant of exemption on the imposition of VAT for the purchase of materials for socialized housing projects.

5. Engagement of non-government organizations (NGOs) like Gawad Kalinga, Habitat for Humanity, ABS-CBN Foundation in building socialized housing;

5.1. Further lowering of interest rates of housing loans for socialized housing packages to allow more people, especially the informal sector, to access housing loans, at very affordable rates;

5.2. Provision of incentives to make monetary contributions of donors to the Gawad Kalinga, Habitat for Humanity and other NGOs eligible to the 20% balanced housing requirement;

5.3. Reduction of cost of production of houses and development of proclaimed sites for socialized housing.

6. Institution of National Resettlement Policy Framework;

6.1. Establishment of a new policy on enhanced resettlement to have common procedures and guidelines among all infrastructure agencies, housing agencies, LGUs and other government agencies in implementing resettlement activities, including an

exit mechanism for the turn over by NHA of post-resettlement responsibilities and obligations, particularly estate management and community development, to LGUs and NGOs engaged in advocacy work in helping the urban poor.

7. Strengthen Programs on Asset Reform/Sustainable Communities;

- 7.1. Strengthen the implementation of the Asset Reform Program involving the utilization of idle/underutilized government lands and hasten the issuance of land titles to intended qualified beneficiaries in all housing proclamation projects;
- 7.2. Creation of new sustainable communities or town sites to disperse the concentration of people in the urban areas. Private sector-led initiatives will be encouraged to develop large available land for new communities, and as eco-friendly and socially and economically reliant communities;
- 7.3. Adoption of alternative tenurial arrangements such as long-term lease or usufruct which will reduce the cost of land for beneficiaries;
- 7.4. Reduction of titling cost for socialized and low-cost housing units;
- 7.5. Transformation of existing tenurial instruments, such as CeLA, into a more secure instrument, such as Deed of Absolute Sale.

8. Provide housing for government employees (including uniformed personnel and teachers);

- 8.1. Fast-track the processing of proclamation of land for government employees' housing;
- 8.2. Pilot proclaimed sites for government employees' housing, including uniformed personnel and teachers;
- 8.3. Preparation of development plans for vacant and partially occupied sites (mixed use development of government land to include commercial and industrial centers to cross-subsidize housing development cost).
- 8.4. Creation of a special lending window within the Home Development Mutual Fund (HDMF) for government employees, including uniformed personnel and teachers;
- 8.5. Establishment of a special window for Overseas Filipino Workers (OFWs)

9. Ensure transparency and good governance.

- 9.1. Institution of policy reforms to ensure transparency in the guidelines for housing loans for developers and in the implementation of resettlement projects;
- 9.2. Simplification of the processing of loan applications for development and homebuyers' loans and reduction of red tape in the issuance of land titles and housing and development permits, both in national and local levels;
- 9.3. Strict adherence to the provisions of the Government Procurement Reform Act;
- 9.4. Publication of all granted loans and existing projects in KSAs' websites.

**APPROVED** this 19<sup>th</sup> day of January 2011, at Quezon City, Philippines.