

[REPUBLIC ACT NO. 7279, March 24, 1992]

**AN ACT 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 known as the "Urban Development and Housing Act of 1992."

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

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

SEC. 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 construction 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 corporation whose book value is of equal value to the land being exchanged, for the purpose of planned and rational development and provision for socialized housing where land values are determined based on land classification, market value and assessed value taken from existing tax declarations: *Provided*, That more valuable lands owned by private persons may be exchanged with less valuable lands to carry out the objectives of this Act;

- k. "Land use plan" refers to the rational approach of allocating available 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 process of upgrading and rehabilitation of blighted and slum urban areas with a view of minimizing displacement of dwellers in said areas, and with provisions for basic services as provided for in Section 21 hereof;
- m. "Professional squatters" refers to individuals or groups who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term shall also apply to persons who have previously been awarded homelot or housing units by the Government but who sold, leased or transferred the same to settle illegally in the same place or in another urban area, and *non-bona fide* occupants and intruders of lands reserved for socialized housing. The term shall not apply to individuals or groups who simply rent land and housing from professional squatters or squatting syndicates;
- n. "Resettlement areas" refers to areas identified by the appropriate national agency or by the local government unit with respect to areas within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens;
- o. "Security of tenure" refers to the degree of protection afforded to qualified Program beneficiaries against infringement or unjust, 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 lands not exceeding three hundred square meters (300 sq. m.) in highly urbanized cities and eight hundred square meters (800 sq. m.) in other urban areas;
- r. "Socialized housing" refers to housing programs and projects covering houses and lots or homelots only undertaken by the Government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of this Act;
- s. "Squatting syndicates" refers to groups of persons engaged in the business of squatter housing for profit or gain;
- t. "Underprivileged and homeless citizens" refers to the beneficiaries of this Act and to individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority and who do not own housing facilities. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure;
- u. "Unregistered or abandoned lands" refers to lands in urban and urbanizable areas which are not registered with the Register of Deeds, or with the city or municipal assessor's office concerned, or which are uninhabited by the owner and have not been developed or devoted for any useful purpose, or appears unutilized for a period of three (3) consecutive years immediately prior to the

issuance and receipt or 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 or 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 environment 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, transportations 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 subdivisions, instrumentalities, or agencies, including government-owned or-controlled corporation 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.