730 Phil. 120

SECOND DIVISION

[G.R. No. 181055, March 19, 2014]

HEIRS OF TERESITA MONTOYA, REPRESENTED BY JOEL MONTOYA, HEIRS OF PATRICIO OCAMPO, REPRESENTED BY VIOLETA OCAMPO, AND BARTOLOME OCAMPO, PETITIONERS, VS. NATIONAL HOUSING AUTHORITY, DORITA GONZALES AND ERNESTO GONZALES, IN HIS CAPACITY AND AS ATTORNEY-IN-FACT, RESPONDENTS.

D E C I S I O N

BRION, J.:

In this petition for review on *certiorari,*[1] we resolve the challenge to the August 31, 2007 decision[2] and the November 26, 2007 resolution[3] of the Court of Appeals *(CA)* in CA-G.R. SP No. 97496. This CA decision affirmed *in toto* the August 17, 2005 decision[4] of the Department of Agrarian Reform Adjudication Board *(DARAB)* in DARAB Case No. 9832, which in turn affirmed the March 1, 2000 decision[5] of the Provincial Agrarian Reform Adjudicator *(PARAD)* of San Fernando, Pampanga. The PARAD decision denied the Complaint for Injunction and Declaration of Nullity of Deed of Absolute Sale filed by petitioners Heirs of Teresita Montoya, represented by Joel Montoya, Heirs of Patricio Ocampo, represented by Violeta Ocampo, and Bartolome Ocampo.

The Factual Antecedents

At the core of the present controversy are several parcels of land,[6] 1,296,204 square meters (or approximately 129.62 hectares) in total area *(property)*, situated in Barangay Pandacaqui, Mexico, Pampanga, and Barangay Telepayong and Barangay Buensuceso, Arayat, Pampanga. The property was a portion of the 402-hectare landholding *(landholding)* previously owned by the Gonzales family *(Gonzaleses)*; it is currently registered in the name of respondent National Housing Authority (NHA) under Transfer Certificate of Title Nos. 395781 to 395790.[7]

The PARAD summarized the facts as follows:

In 1992, the Gonzaleses donated a portion of their landholding in Pandacaqui, Mexico, Pampanga as a resettlement site for the thousands of displaced victims of the Mt. Pinatubo eruption. The donation[8] was signed in Malacañang and *per* the terms of the donation, the Gonzaleses gave the landholding's tenants one-half share of their respective tillage with the corresponding title at no cost to the latter. The Gonzaleses retained the property (pursuant to their retention rights) and registered it in respondent Dorita Gonzales-Villar's name.

Still needing additional resettlement sites, the NHA purchased the property on February 20, 1996.[9] The NHA, thereafter, applied, before the Department of Agrarian Reform *(DAR)*, for the conversion of the property to residential from agricultural use. On November 30, 1996,[10] the DAR approved the NHA's application for conversion.

In their complaint[11] filed before the PARAD, the petitioners claimed that they were the registered tenants of the property, under the government's operation land transfer *(OLT)* program, per the April 25, 1996 certification of the Municipal Agrarian Reform Officer *(MARO)* of Arayat, Pampanga.[12] They argued that the 1992 donation (that gave the tenants one-half share of their respective tillage with the corresponding title at no cost) and the February 20, 1996 sale between the NHA and the Gonzaleses were intended to circumvent the provisions of Presidential Decree *(P.D.)* No. 27[13] and of Republic Act *(R.A.)* No. 6657 (the Comprehensive Agrarian Reform Law of 1988).

The petitioners further claimed that on March 15, 1996,[14] they informed the NHA of their objections to the NHA's purchase of the property. Despite this notice, the NHA destroyed their rice paddies and irrigation dikes in violation of their security of tenure.

The NHA answered,[15] in defense, that the Gonzaleses and the DAR assured them that the property was cleared from any claim of tenants/squatters. It pointed out that on November 9, 1994, the Provincial Agrarian Reform Officer *(PARO)* concurred with the MARO's recommendation for the conversion of the property to be used as resettlement site for the Mt. Pinatubo eruption victims and he (the PARO) indorsed this recommendation to the Office of the DAR Secretary.[16] Also, on February 7, 1996, the NHA Board, through Resolution No. 3385, approved the acquisition of the property for the stated purpose. It added that the DAR approved the property's conversion as having substantially complied with the rules and regulations on land conversion. Finally, it argued that the property was already outside the land reform program's coverage per Section 1 of P.D. No. 1472.[17]

In their answer,[18] Dorita and Ernesto (collectively, the *respondents*) similarly pointed to the DAR's November 30, 1996 conversion order. They also claimed, as special defense, that the petitioners had been remiss in their lease rental payments since 1978. Lastly, they pointed out that they had already paid the required disturbance compensation to the property's tenants, save for the petitioners who refused to accept their offer.

The PARAD's and the DARAB's rulings

In its decision of March 1, 2000,[19] the PARAD denied the petitioners' complaint. The PARAD found that the property's conversion to residential from agricultural uses conformed with the law and passed its rigorous requirements. The DAR's approval of the NHA's application for conversion made in compliance of the law legally converted and effectively removed the property from the coverage of the Comprehensive Agrarian Reform Program *(CARP)*. Additionally, the PARAD pointed to the presumption of regularity that the law accords to the performance of official duties.

The PARAD also pointed out that the property's removal from the CARP's coverage further finds support in P.D. No. 1472, which exempts from the coverage of the agrarian reform program lands acquired or to be acquired by the NHA for its resettlement projects. In this regard, the PARAD highlighted the purpose for which the NHA purchased the property, i.e., as a resettlement site for the thousands of displaced victims of the Mt. Pinatubo eruption.

Lastly, the PARAD rejected the petitioners' claim of "deemed ownership" of the property under Executive Order *(E.O.)* No. 228,[20] in relation to P.D. No. 27. The PARAD pointed out that the petitioners presented only two Certificates of Land Transfer *(CLTs)*, both under Jose Montoya's name that covered a 1.96 hectare area. Even then, the PARAD held that the CLTs are not proof of absolute ownership; at best, they are evidence of the government's recognition of Jose as the covered portion's tenant.

Nevertheless, the PARAD recognized the petitioners' entitlement to disturbance compensation in an amount equivalent to five times the average gross harvest for the last five years, pursuant to Section 36(1) of R.A. No. 3844,[21] less the petitioners' rental arrears.

In its August 17, 2005 decision,[22] the DARAB affirmed *in toto* the PARAD's ruling. It subsequently denied the petitioners' motion for reconsideration[23] in its October 4, 2006 resolution.[24]

The CA's ruling

In its August 31, 2007 decision,[25] the CA affirmed the DARAB's ruling (that affirmed those of the PARAD's). As the DARAB and the PARAD did, the CA held that the property's conversion complied with the law's requirements and procedures that are presumed to have been done in the regular performance of official duties. And, as the NHA acquired the property as resettlement sites, the CA pointed out that the property is exempted from the agrarian reform program's coverage, pursuant to P.D. No. 1472. The CA additionally observed that the property was the Gonzaleses' retained area that Section 6 of R.A. No. 6657 specifically guarantees to them (as landowners) despite the issuance of Jose's CLTs.

The petitioners filed the present petition after the CA denied their motion for reconsideration[26] in the CA's November 26, 2007 resolution.[27]

The Petition

The petitioners argue in this petition[28] that the CA erred in declaring the property as the Gonzaleses' retained area. They point out that the Gonzaleses failed to prove that they (the Gonzaleses) filed, before the DAR, an application to exercise their retention rights over the property or that the DAR approved such application pursuant to DAR Administrative Order No. 4, series of 1991 and DAR Administrative Order No. 6, series of 2000.

The petitioners also argue that the property had already been covered by the

government's OLT program prior to the NHA's purchase; this purchase, therefore, constitutes a prohibited disposition of agricultural land per Section 6 of R.A. No. 6657. And, while P.D. No. 1472 exempts from the agrarian reform program's coverage lands that the NHA acquires for its resettlement projects, the petitioners argue that this law should be read in conjunction with the provisions of the Comprehensive Agrarian Reform Law (*CARL*); hence, as the NHA acquired the property after the CARL's effectivity date, the exempting provision of P.D. No. 1472 no longer applies.

Finally, the petitioners maintain that as CLT holders, they are deemed owners of their respective tillage as of October 21, 1972, pursuant to E.O. No. 228, in relation to P.D. No. 27. The Gonzaleses, therefore, could not have validly sold the property in 1996, the ownership of which the law had already vested to them as of October 21, 1972.

The Case for the Respondents

For their part, the respondents argue that the issue of whether the property is part of the Gonzaleses' retained area, which the DARAB and the CA resolved in their favor, is factual and, therefore, beyond the ambit of a Rule 45 petition.[29] In fact, the respondents point out that the DAR approved the property's conversion to residential from agricultural uses after ascertaining that it was part of their retained area, in addition to their compliance with the required documentation and procedures.

The respondents also argue that the sale/disposition-prohibition in Section 6 of R.A. No. 6657 applies only to private agricultural lands that are still covered by the CARP. To the respondents, this prohibition does not apply to private lands, such as the property, whose use the law had already validly converted.

Finally, the respondents reject the petitioners' claim of "deemed ownership" of the property *per* the issued CLTs. They maintain that the CLTs do not vest any title to or ownership over the covered property but, at most, are evidence of the preliminary step for acquiring ownership, which, in every case, requires prior compliance with the prescribed terms and conditions.

The Case for the NHA

The NHA argues in its comment[30] that the petition raises questions of fact that are proscribed in a petition for review on *certiorari*. While the law allows certain exceptions to the question-of-fact proscription, it points out that the petitioners' cited exception does not apply as the PARAD, the DARAB and the CA unanimously ruled on these factual matters that were well supported by substantial evidence.

Additionally, the NHA argues that it acquired the property for its resettlement project (for the Mt. Pinatubo eruption victims) and is thus outside the CARL's coverage. It points out that the exempting provision of P.D. No. 1472 extends equally to lands that it had acquired prior to the effectivity of the CARL and to those that it acquired or will acquire thereafter.

The Court's Ruling

We do not find the petition meritorious.

The petition's arguments present proscribed factual issues

The petitioners essentially assail in this petition the validity of the NHA's acquisition of the property, in view of the prohibition on sale or disposition of agricultural lands under E.O. No. 228, in relation to P.D. No. 27 and Section 6 of R.A. No. 6657. Resolution of this petition's core issue requires the proper interpretation and application of the laws and the rules governing the government's agrarian reform program, as well as the laws governing the powers and functions of the NHA as the property's acquiring entity. As presented, therefore, this petition's core issue is a question of law that a Rule 45 petition properly addresses.

This notwithstanding, the resolution of this petition's core issue necessitates the prior determination of two essentially factual issues, i.e., the validity of the property's conversion and the petitioners' claimed ownership of the property. As questions of fact, they are proscribed in a Rule 45 petition.

The settled rule is that the Court's jurisdiction in a petition for review on *certiorari* is limited to resolving only questions of law. A question of law arises when the doubt exists as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts.[31] Under these significations, we clearly cannot resolve this petition's issues without conducting a re-examination and re-evaluation of the lower tribunals' unanimous findings on the factual matters (of the property's conversion and of the petitioners' ownership of the property), including the presented evidence, which the Court's limited Rule 45 jurisdiction does not allow.

Moreover, this Court generally accords respect, even finality to the factual findings of quasi-judicial agencies, *i.e.*, the PARAD and the DARAB, when these findings are supported by substantial evidence.[32] The PARAD and the DARAB, by reason of their official position have acquired expertise in specific matters within their jurisdiction, and their findings deserve full respect; without justifiable reason, these factual findings ought not to be altered, modified, or reversed.[33]

To be sure, this Rule 45 proscription is not iron-clad and jurisprudence may admit of exceptions.[34] A careful review of this case's records, however, justifies the application of the general proscriptive rule rather than the exception. Viewed in this light, we are constrained to deny the petition for raising proscribed factual issues and because we find no reason to depart from the assailed rulings.

Even if we were to disregard this procedural lapse and decide the case on its merits, we are inclined to deny the petition and affirm as valid the NHA's acquisition of the property on three main points, which we will discuss in detail below.

The property was validly converted to residential from agricultural uses