

## FIRST DIVISION

[ G.R. No. 164244, July 30, 2009 ]

**NATIONAL HOUSING AUTHORITY, PETITIONER, VS. REYNALDO  
MAGAT, RESPONDENT.**

### R E S O L U T I O N

**CARPIO, J.:**

#### The Case

Before the Court is a petition for review<sup>[1]</sup> of the 27 February 2004 Decision<sup>[2]</sup> and 1 June 2004 Resolution<sup>[3]</sup> of the Court of Appeals in CA-G.R. SP No. 78306. The Court of Appeals set aside the Resolutions of the Office of the President dated 26 November 2002<sup>[4]</sup> and 29 May 2003, as well as the Memorandum<sup>[5]</sup> of petitioner National Housing Authority (NHA)<sup>[6]</sup> dated 26 June 1998.

#### The Antecedents

On 26 June 1998, the NHA issued a Memorandum resolving the conflict of claims over the subject property between Armando De Guzman (De Guzman) and Reynaldo Magat (Magat). The NHA recommended that Lot 53, Block 1, Peñafrancia ZIP Project be awarded solely to De Guzman.<sup>[7]</sup>

Magat appealed the Memorandum of the NHA to the Office of the President, which sustained the same in a Resolution dated 26 November 2002, thus:

WHEREFORE, premises considered, the instant appeal is hereby DISMISSED and the questioned NHA Letter-Resolution dated 26 June 1998 AFFIRMED *in toto*.

Parties are required to INFORM this Office, within five (5) days from notice, of the dates of their receipt of this Resolution.

SO ORDERED.<sup>[8]</sup>

Magat moved for reconsideration, which was denied by the Office of the President in an Order dated 29 May 2003.

#### The Ruling of the Court of Appeals

Magat filed an appeal with the Court of Appeals which set aside the 26 November

2002 and 29 May 2003 Resolutions of the Office of the President, including the 26 June 1998 Memorandum of the NHA, to wit:

We find the NHA ruling to be contrary to evidence on record. Consider:

- (a) Magat is admittedly also a censused renter in the Peñafrancia ZIP Project;
- (b) He is occupying, under a contract of lease, a structure owned by Clarita Punzalan standing on Lot 53, Block 1 in the same project at Paco, Manila, and paid rentals thereon as shown by receipts attached as Annexes "G", "G-1", "G-2" and "G-3" of Memorandum of Appeal.
- (c) The structure that Armando De Guzman purchased is separate and distinct from that being leased by the petitioner, the same being owned by Bonifacio Punzalan. This will explain the fact that Bonifacio could not sell the structure being occupied by the petitioner;
- (d) The two (2) structures in one lot covered by a single Tag No. 254 will readily explain, and common logic dictates, that even after the purchase of De Guzman, another lease contract was executed by Clarita Punzalan in favor of petitioner Magat over the other structure.

Obviously, the above established facts were misappreciated, overlooked or were not given the proper evidentiary interpretation in the NHA Resolution. Summing them up, the facts stated above will show that there exists two (2) structures in the lot sold to De Guzman. Said established facts readily entitles petitioner as a censused renter and had the right to own the portion being occupied by the house he was renting from Clarita Punzalan. To exclude him therefrom would be violative of the very purpose for which the ZIP Project was established which is to upgrade the environmental, legal, social and economic condition of the slum residents within Metro Manila, and contravene the ZIP Project aim to distribute land to the landless in the spirit of constitutional provision guaranteeing housing and decent quality of life for every Filipino.

All told, the NHA committed a serious palpable error and grave abuse of discretion in not giving petitioner Magat his rightful priority to own that portion over which his rented structure is standing.

IN VIEW OF ALL THE FOREGOING, the instant petition is hereby GRANTED, and the challenged Resolutions RECALLED and SET ASIDE, together with the NHA Resolution dated June 26, 1998 awarding the whole Lot 53, Block 1, Penafrancia ZIP Project solely to respondent Armando De Guzman, and a new one entered GIVING petitioner the right to purchase the portion being occupied by the structure he is presently occupying. No cost.