

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

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SENATE

S.B. NO. 665

RECEIVED BY: *ji*

Introduced by SENATOR FERDINAND R. MARCOS, JR.

Explanatory Note

The 1987 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. x x x." **(Article XIII, Section 9)** True to the above mandate, numerous agencies, public and private, as well as the local government units, have been given imprimatur by the State to institute programs and construct facilities aimed at delivering to our citizens the most basic commodity of shelter.

The Philippines suffers a severe shortage in housing. Credible and current statistics show that there still remains a heavy backlog in the housing sector, which now stands at a dismal 3.63 million housing units.

This is not to say that the various agencies involved in housing, such as the Housing and Land Use Regulatory Board, the Department of Agrarian Reform, the Department of Agriculture, the Bureau of Internal Revenue, our local government units, and other agencies are not capable or effective in addressing the shortage or to ensure a viable and sustainable national housing program. But the fact remains that consumers, buying public, and the private sector have been complaining about long and exasperating lines and waiting times, and graft-prone transactions in the processing and approval of documentary requirements related to real estate development and housing.

Indeed, the State has already enacted Republic Act No. 9485 or the Anti-Red Tape Act of 2007 to address precisely the problem of graft and red tape in government transactions. However, we need clearer and more specific mechanisms and rules with regard to processes and transactions related to real estate development and housing. Consistent with the spirit and intention of the Anti-Red Tape Act, it is crucial that we establish one-stop shops for housing permits in order to centralize related processes and transactions under one roof. We also need to prescribe time periods for issuance of housing-related certifications, clearances and permits, and impose sanctions for failure to observe the same.

In 2001, the Office of the President issued Executive Order No. 45, which sought to establish regional housing one-stop shops, prescribe time periods within which housing-related permits and certifications should be issued or decided, and also impose sanctions for violations thereof. Considering that no less than the Executive Department has recognized this serious bureaucratic issue and has taken action, it is the duty of the Legislative Department to do its part and to follow it through. Congress has the duty to elevate this important executive issuance to the level of a statutory mandate, and also to improve the same.

In view of thereof, the passage of this bill is earnestly requested.



FERDINAND R. MARCOS, JR



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SENATE
SENATE BILL NO. 665

RECEIVED BY: *ja*

Introduced by Senator FERDINAND R. MARCOS, JR.

**AN ACT ESTABLISHING REGIONAL HOUSING ONE-STOP SHOPS,
PRESCRIBING TIME PERIODS FOR ISSUANCE OF HOUSING- RELATED
CERTIFICATIONS, CLEARANCES AND PERMITS, AND IMPOSING
SANCTIONS FOR FAILURE TO OBSERVE THE SAME,
AND FOR OTHER PURPOSES**

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

SECTION 1. *Statement of Policy.* - Consistent with Republic Act No. 9485 or the Anti-Red Tape Act of 2007, it is the policy of the State to promote integrity, accountability, proper management of public affairs and public property as well as to establish effective practices aimed at expediting official transactions in government, in order to prevent demoralization of the housing stakeholders and and the buying public, as well as to prevent graft and reduce red tape.

SECTION 2. *Coverage.* - This Act shall cover all local government units, and government agencies involved in the regulation of the development of real estate and the approval of housing and settlement plans and projects such as the Housing and Land Use Regulatory Board (HLURB), Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Department of Agriculture (DA), and the Bureau of Internal Revenue (BIR).

SECTION 3. *Mandatory Continuing Program of Systems Improvement.* - Government agencies and local government units are mandated to regularly undertake time and motion studies, undergo yearly evaluation and improvement of their transaction systems and procedures and re-engineer the same if deemed necessary to reduce bureaucratic red tape and processing time of transactions and procedures. For this purpose, all government agencies and local government units shall regularly improve and update their respective Citizen's Charters that they are mandated to provide the public under Republic Act No. 9485 or the Anti-Red Tape Act.

SECTION 4. *Regional Housing One-Stop Shops.* - In the interest of improving and centralizing related public services, there is hereby created Housing One-Stop Shops for housing-related permits and licenses in all regions of the country, which shall be composed of representatives or employees of the respective regional offices of the Housing and Land Use Regulatory Board (HLURB), Department of Agrarian Reform (DAR), the Department of Environment and Natural Resources (DENR), and the Department of Agriculture (DA). Subject to the implementing rules and regulations under Section 11 hereof, officers and representatives of the

Regional One-Stop Shops shall exercise their usual functions and respective mandates under the law, and shall have sufficient authority to accept, process and act on applications for housing-related certifications, clearances or permits falling within the respective mandates of component agencies, as well as the authority to return, deliver and release the approved certifications, clearances and permits to the applicants.

For this purpose, the Regional Field Offices of the Housing and Land Use Regulatory Board shall provide for the workspace or station of the Housing One-Stop Shops. The official costs and other related official expenses necessary to set up and maintain the One-Stop Shops shall be borne by the component agencies share and share alike, subject to the implementing rules and regulations to be issued under this Act.

SECTION 5. *Simultaneous Processing of Applications.* - Whenever applicable, feasible or logical, applications for housing-related certifications, clearances or permits may be filed simultaneously with the Housing One-Stop Shops and the local government units concerned. Thus, notwithstanding the provisions of laws, rules and regulations, or issuances to the contrary, local government units concerned and each of the housing-related agencies herein shall accept and process applications without the need of requiring the submission of any housing-related certification, clearance or permit, which are not deemed pre-requisites to said applications or when said applications are not dependent on the said other certification, clearance or permit.

SECTION 6. *Reasonable, Prompt and Transparent Processing of Applications.* - (a) Where the documentary requirements are complete and in order, the agency or LGU concerned, shall accept the applications for certification, clearance or permit and shall promptly make a preliminary assessment in accordance with Republic Act No. 9485, and proceed to process the same. However, where the documentary requirements are incomplete, the concerned agency may still accept the application, subject to subsequent compliance or completion of the requirements. In case of refusal to accept the application, the concerned agency shall issue a written notice to the applicant indicating the documentary requirements that are lacking.

(b) The agencies and LGUs concerned shall resolve the applications filed with them within the periods prescribed under Section 8 hereof. After determining that the application is meritorious and in order, the agency shall promptly issue the certification, clearance or permit. In case of denial or rejection of the application, the agency shall promptly issue a written decision or order clearly stating all the grounds therefor, with notice to concerned parties.

Where an application is opposed, the agency shall promptly resolve the application in accordance with its rules of procedure. To prevent unnecessary delay, the agency concerned shall promptly determine whether said opposition is patently frivolous, in which case the opposition shall be rejected outright. If the opposition is based on valid grounds, the agency shall proceed to resolve the application with notice to the applicant, provided that the period for resolving the dispute shall not be counted against the agency.

SECTION 7. *Subsequent Compliance; Undertaking to Submit Delayed Requirements.* - Where an application or request with a particular agency or LGU cannot be processed or granted on account of a pending, delayed or forthcoming requirement from another agency or LGU, the applicant may, unless expressly prohibited by law, be allowed to submit an affidavit or

undertaking to submit or file the said requirement within a reasonable time. In case the lacking or pending requirement is deemed a pre-requisite or material to the application or request, the agency may process or grant the application or request on condition that the pre-requisite or material requirement is subsequently approved or granted.

SECTION 8. *Time Periods.* - The agencies and local government units shall dispose of all applications for housing-related certifications, clearances or permits within the periods prescribed below:

- 1) **Housing and Land Use Regulatory Board (HLURB)**
 - a) Certification of Site Zoning Classification – Ten (10) days from receipt of complete application
 - b) Certificate of Registration and License to Sell (LTS) – Ten (10) days from receipt of complete application and compliance with the publication requirement

- 2) **Department of Agrarian Reform (DAR) and its attached agencies**
 - a) Certificate of Eligibility for Reclassification of Agricultural Land – Thirty (30) days from receipt of complete application
 - b) Conversion Order or Exemption Order (under Department of Justice Opinion No. 44, series of 1990) – Thirty (30) days from receipt of complete application, including the DA Certificate of Eligibility for Reclassification of Agricultural Land and the HLURB Certification of Site Zoning Classification of the land subject of the application.
 - c) Certification from the Municipal Agrarian Reform Officer (MARO) – Ten (10) days from receipt of complete application
 - d) Certification from the Center for Land Use Policy, Planning and Implementation (CLUPPI) – Thirty (30) days from receipt of complete application

- 3) **Department of Environment and Natural Resources (DENR) and its attached agencies**
 - a) Environmental Compliance Certificate (ECC) – Forty-five (45) days from receipt of complete application
 - b) National Integrated Protected Area System (NIPAS) Certification – Fifteen (15) days from receipt of complete application
 - c) Verification and approval of Survey Returns – Thirty (30) days from receipt of complete application
 - d) Approval by the Mines and Geosciences Board (MGB) of the Engineering Geological and Geohazard Assessment Report (EGGAR) – Ten (10) days from receipt of EGGAR
 - e) Certification from the Laguna Lake Development Authority

(LLDA) – Fifteen (15) days from receipt of complete application

- 4) Department of Agriculture (DA) and its attached agencies
 - a) Certification of Eligibility for Reclassification of Agricultural Land under Republic Act No. 8435 – Thirty (30) days from receipt of complete application, including Clearance Certifications from the National Irrigation Administration, Philippine Coconut Authority, or the Sugar Regulatory Administration, when required
 - b) Irrigation Clearance Certification from the National Irrigation Administration (NIA) – Fifteen (15) days from receipt of complete application.
 - c) Clearance Certification from the Philippine Coconut Authority (PCA) – Fifteen (15) days from receipt of complete application
 - d) Clearance Certification from the Sugar Regulatory Administration (SRA) – Fifteen (15) days from receipt of complete application
- 5) Bureau of Internal Revenue
 - a) Certificate Authorizing Registration – Fifteen (15) days from payment of the required national internal revenue taxes
- 6) Local Government Units
 - a) Development Permit – Thirty (30) days from receipt of complete application
 - b) Building Permit – Fifteen (15) days or thirty (30) days from receipt of complete application, in accordance with Republic Act No. 6541 or the National Building Code of the Philippines
 - c) Certificate of Occupancy – Seven (7) days from receipt of complete application and payment of fees, in accordance with Republic Act No. 6541 or the National Building Code of the Philippines
 - d) Local transfer tax clearance – Fifteen (15) days from payment of local transfer tax, including the BIR Certificate Authorizing Registration, when required

SECTION 9. *Prohibition against Unreasonable Penalties and Charges.* - The agencies or LGUs shall be prohibited from imposing penalties and charges upon an applicant on account of delay, if it reasonably appears from the records that the delay is due to their own or other agencies' or LGUs' failure to observe the time periods prescribed hereunder, or due to causes beyond the control, or through no fault or negligence of the applicant.

SECTION 10. *Penalties and Sanctions.* - Officers and employees who shall violate this Act shall be proceeded against in accordance with Section 11 (a) of Republic Act No. 9485 or the Anti-Red Tape Act. In determining the

person or persons liable, the officers or employees in charge of the One-Stop Shops or the frontline service, as well as the head of the particular agency, division or unit of the agency in charge of the processing and releasing of the housing-related certification, clearance or permit, shall be deemed responsible or liable for the violation under this Act.

Administrative liability shall be enforced in accordance with civil service laws, rules and regulations, such as, but not limited to Civil Service Commission Resolution No. 99-1936, without prejudice to other civil or criminal liabilities for the same act or omission.

For the purpose of proving liability under this Act, the aggrieved parties shall provide the relevant documents and material information. They shall also immediately execute an affidavit setting forth in chronological detail the specific acts and omissions of the responsible officers and employees, and their names, as well as the specific dates thereof and other relevant information.

SECTION 11. *Implementing Rules and Regulations.* - Within thirty (30) days from effectivity of this Act, the Chairman of the Housing and Urban Development Coordinating Council and the Secretaries of the Department of Agrarian Reform, the Department of Environment and Natural Resources, the Department of Agriculture, and the Department of Interior and Local Government shall jointly issue the rules and regulations for the effective implementation of this Act and the fast-tracking of the approval and implementation of housing projects.

SECTION 12. *Pending Applications.* - Within thirty (30) days from effectivity of this Act, the local government units, the Housing and Land Use Regulatory Board, the Department of Agrarian Reform, the Department of Environment and Natural Resources, the Department of Agriculture, and their related attached agencies, and the Bureau of Internal Revenue shall submit an inventory of all pending and unresolved applications and requests with their respective offices for housing-related certifications, clearances or permits for the prompt disposition of the same.

SECTION 13. *Separability Clause.* - The provisions of this Act are hereby declared to be separable and if any clause, sentence, provision or section of this Act or its application thereof to any person or circumstance should, for any reason, be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or application of this Act which can be given force and effect.

SECTION 14. *Repealing Clause.* - All laws, decrees, charters, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof insofar as they are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 15. *Effectivity.* - This Act shall take effect fifteen (15) days after completion of publication in the Official Gazette or in a newspaper of general circulation.

Approved,