

ORDINANCE NO. SP-**1236**, S-2003

AN ORDINANCE CREATING THE QUEZON CITY HOUSING AND URBAN RENEWAL AUTHORITY, DEFINING ITS PURPOSES, FUNCTIONS AND CAPITAL STRUCTURE AND FOR OTHER PURPOSES.

Introduced by Councilors BERNADETTE HERRERA-DY, JESUS MANUEL C. SUNTAY, ANTONIO E. INTON, JR., AIKO MELENDEZ-YLLANA, ROMMEL R. ABESAMIS, WILMA AMORANTO-SARINO, VINCENT P. CRISOLOGO, VICTOR V. FERRER, JR. ELIZABETH A. DELARMENTE, VOLTAIRE GODOFREDO L. LIBAN III, ALLAN BUTCH T. FRANCISCO, ERIC Z. MEDINA, MARY ANN L. SUSANO, JORGE L. BANAL, JULIAN M.L. COSETENG, WENCEROM BENEDICT C. LAGUMBAY, DIORELLA MARIA SOTTO-DE LEON, ALMA F. MONTILLA, RICARDO R. DEL ROSARIO, RESTITUTO B MALAÑGEN, XYRUS L. LANOT and JUNIE MARIE L. CASTELO.

WHEREAS, the government, as the instrument of the State, is required to "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 underprivileged and homeless citizens" (Section 9, Article XIII of the Constitution);

WHEREAS, in accordance with the policy of genuine and meaningful local autonomy and decentralization, the delivery of basic services and facilities, as well as the planning and implementation of low-cost housing programs and projects for marginal and low-income families has been fully devolved to local governments, for which purpose they are entitled to a fair share of national taxes and funds from the utilization and development of national wealth within their respective jurisdiction and funding support from other government instrumentalities and government-owned and controlled corporations tasked by law to provide such services and facilities;

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY
IN SESSION ASSEMBLED IN REGULAR SESSION ON THIS 15th DAY OF MARCH 2003

WHEREAS, local governments have the powers necessary, appropriate or incidental for its efficient and effective governance and those which are essential to the promotion of the general welfare, particularly the provision of housing and other basic services and facilities (Section 16, of the Local Government Code 1991);

WHEREAS, local governments, in coordination with concerned national agencies, are charged with the implementation of the Urban Development and Housing Act of 1992 which include, among others, the provision of decent and affordable housing, basic services, and employment. The rationalization of the use of the development of urban land, the identification and registration of government socialized housing beneficiaries, the inventory of land for housing, urban renewal and resettlement, and the promotion of indigenous housing materials and technologies;

WHEREAS, there are large numbers of marginal and low-income families in Quezon City living in slums and other depressed communities, in danger areas such as esteros, canals, dumpsites, rivers, and in public lands such as parks, roads and playground whose urgent need for adequate shelter requires immediate and continuing response from the Quezon City government;

WHEREAS, the city needs to create a body that is focused on the issue of housing and urban renewal, to be more dynamic to respond to the needs of its citizens in this regard, and to be able to correctly and readily implement and/or operationalize its programs for housing and urban renewal;

WHEREAS, the Quezon City Local Housing Board has been created for the purpose of recommending local shelter plans and advising the Mayor and the City Council on matters affecting socialized housing programs, but clearly, there is a need to carry out, operationalize and implement its mandate by a properly organized body with adequate resource requirement.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY
IN SESSION ASSEMBLED:

SECTION 1. Creating the Quezon City Housing and Urban Renewal Authority, Inc. There is hereby created a local government corporation to be known as the Quezon City Housing and Urban Renewal Authority, Inc., otherwise known as QC-HURA, hereinafter referred to as the "Authority," to undertake and /or promote the development of housing for marginal and low-income families and urban renewal and redevelopment in Quezon City. The Authority shall have its principal office at the Quezon City Hall, Quezon City. The Authority shall exist for fifty (50) years, but this may be extended through a Quezon City Council ordinance and in accordance with the Corporation Code of the Philippines.

SECTION 2. Purposes and Objectives. The Authority shall have the following purposes and objectives:

- a. Make available adequate and affordable housing to marginal and low-income families in Quezon City;
- b. Upgrade, renew or redevelop slums and other blighted urban communities, develop resettlement sites and in general, enhance and promote urban development in Quezon City;
- c. Formulate and/or implement the recommendations and/or programs of the Quezon City Local Housing Board within the capacity and feasibility coordinates of the Authority;
- d. Harness and promote the participation of the private sector in housing ventures and urban;
- e. Renewal in terms of capital expenditures, lands, expertise, financing and other facilities for the sustained growth of Quezon City;
- f. Cause the development of vacant, blighted and under-utilized lands in Quezon City owned by the local government;
- g. Own lands, buildings, estates and other forms of real property transferred to it or it may acquire in the future;
- h. Develop, improve, administer, deal in, subdivide or lease, any and all kinds of lands, buildings, estates and other forms of real property turned over to the Authority by the Quezon City government.

SECTION 3. Definition of Terms. For purposes of this Ordinance:

- a. "Areas for priority development" refer to those areas declared as such under existing statutes, ordinances, and pertinent executive issuances;
- b. "Blighted urban communities" refer 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;
- c. "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 interest, which shall include appropriate documentation and feedback mechanisms;
- d. "Idle lands" refer to non-agricultural lands urban and urbanized areas on which no improvements, as herein defined, have been made by the owner, as certified by the City Assessor;
- e. "Improvements" refer to all types of buildings and residential units, walls, fences, structures or constructions 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;
- f. "On-site development" refer to the process of upgrading and rehabilitation of blighted slum urban areas with a view of minimizing displacement of dwellers in said areas, and with provisions for basic services;
- g. "Resettlement Areas" refer to areas identified by the local government unit with respect to areas within its jurisdiction which shall be used for the relocation of the underprivileged and homeless families;

mm

[Signature]

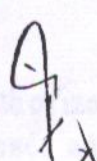

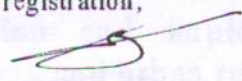
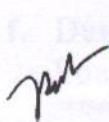
[Handwritten mark]

[Handwritten mark]

- h. "Socialized housing" refers to housing programs and projects covering houses and lots 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 Ordinance;
- i. "Marginal and low-income families" refer to individuals or families residing in urban and urbanized 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;
- j. "Monitoring" refers to the collection, analysis, reporting and use of information about the progress of resettlement and it focuses on physical and financial targets and the delivery of entitlements to people;
- k. "Professional squatters" refer to individuals or group who occupy lands without the express consent of the landowner and who have sufficient income for legitimate housing. The term also apply to persons who have previously been awarded homelots or housing units by government, but who sold, leased or transferred the same to settle illegally in the same place or in another urban area, and non bonafide 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 by squatting syndicates.
- l. "Squatting syndicates" refer to groups of persons engaged in the business of squatter housing for profit or gain.

SECTION 4. Capitalization and Funding. The Authority shall have an authorized capital of One Billion Pesos (Php1,000,000,000.00) which shall be divided into One Million (1,000,000.00) shares of stock with a par value of One Thousand Pesos (Php1,000.00) per share, of which the amount of Three Hundred Million Pesos (Php300,000,000.00) shall be initially subscribed by the Quezon City government. Said subscription may be paid as follows:

- a. One Hundred Million Pesos (Php100,000,000.00) in cash upon registration;



- 102002-89
- b. The equivalent sum of Two Hundred Million Pesos (Php200,000,000.00) in terms of properties to be conveyed by the City government to the corporation within two years after registration of this corporation.

Provided, that in no time shall the shares of stock held and owned by the Quezon City government be less than ninety-nine percent (99%) of the outstanding shares of the Authority; that the City Mayor shall have the authority to vote the shares of stock of the Authority as the Mayor of Quezon City.

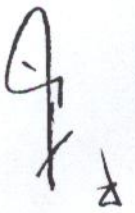
The number of stockholders of the Authority shall not exceed ten (10).

The Authority shall not list in any stock exchange or make any public offering of its shares of stock.

The Quezon City government shall have the right of first refusal on any transfer or assignment to any third person of any shares of stock to be exercised within a reasonable period of time from receipt of notice of assignment, or transfer by the Mayor and the City Council, in accordance with SEC rules and regulations. This restriction is applicable to voluntary inter vivos sales, gifts, testamentary dispositions and devolution upon death or other transfer by operation of law.

SECTION 5. Powers and Functions of the Authority. The Authority shall have the following powers and functions to be exercised by the Board in accordance with the established urban development and housing plan prepared by the government of Quezon City:

- a. Succeed on its corporate name;
- b. Sue and be sued in such corporate name;
- c. Adopt, alter and use a corporate seal;
- d. Adopt, amend and repeal its by-laws;
- e. Enter into contracts of any kind and description as authorized under this Ordinance, to enable it to carry out its purposes and functions;
- f. Develop and implement a comprehensive and integrated housing and urban renewal program for Quezon City;



- g. Develop and implement a comprehensive and integrated housing and urban renewal program for Quezon City;
- h. Purchase, build, alter, construct, erect, enlarge, occupy, manage, or otherwise, deal in building of every kind and character whatsoever, whether belonging to or to be acquired by the Authority, provided that the mortgage and sale of all property held and acquired by the Authority shall be subject to the approval of the City Council;
- i. Invest its funds, as it may deem proper, in bonds and securities issued and guaranteed by the City government or by the Bangko Sentral ng Pilipinas;
- j. Promote housing development by providing technical assistance;
- k. Receive donations, grants and bequests, and utilize the same for the resettlement of displaced families and development of socialized housing;
- l. Perform such other acts not inconsistent with this Ordinance, as may be necessary to effect the policies and achieve the objectives herein declared.

SECTION 6. Board of Directors. The Authority shall be governed by a Board of Directors, hereinafter referred to as the "Board", which shall be composed of seven (7) members who shall be the following: the Mayor of Quezon City, as Chairman; two (2) representatives from the City Council (to be nominated and elected by the Majority and Minority group); one (1) representative from the Quezon City Local Housing Board (to be nominated by the Local Housing Board members themselves); two (2) representatives to be appointed by the Mayor; and one (1) representative from the City Development Council (to be elected by the officers of the City Development Council), as members. The Board shall elect a presiding officer in the absence of the Chairman.

The Authority, on recommendation of the Mayor and approved by the Board, shall appoint a General Manager from a list of three (3) nominees. The nominee for General Manager must possess managerial ability and must be a recognized authority on housing and/or related field. The appointment of the General Manager shall be subject to confirmation by the City Council.

The General Manager shall be the Chief Executive Officer of the Authority and shall be entitled to receive a salary to be determined by the Board and shall serve for a fixed term of three (3) years, unless sooner removed by the Board for cause.

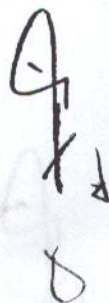
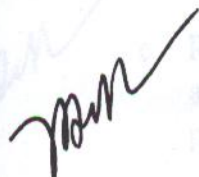
The members of the Board, excluding the General Manager, may receive per diems per meeting actually attended at such amount to be fixed by the Board but not to exceed Four Thousand Pesos (Php4,000.00) per meeting.

The Board shall meet regularly at least once a month, but special meetings may be called either by the Chairman or by four (4) members of the Board, as and when necessary. Four (4) members of the Board shall constitute a quorum and all decisions of the Board shall require the concurrence of at least four (4) members, except those powers provided under Section 5 (g) and (h) thereof which requires a concurrence of at least five (5) members.

The Board may hire from time to time up to a maximum of two (2) consultants from the private sector who are known proficient in the Housing Industry with proven track record, who are entitled to receive honorariums to be determined by the Board.

SECTION 7. Powers and Duties of the Board. The Board shall have the following powers and duties:

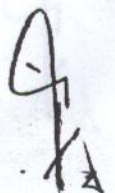
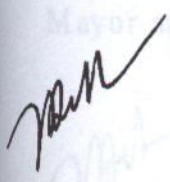
- a. Formulate, prescribe and promulgate the implementing rules and regulations required by this Ordinance;
- b. Act upon the annual budget and such supplemental budgets of the Authority submitted by the General Manager, provided that the Board may reduce but may not increase any item proposed by the General Manager;
- c. Approve the organizational structure of the Authority as well as its staffing pattern, the salaries of the personnel and their powers and duties as submitted by the General Manager;
- d. Formulate and enforce general and specific policies for housing development, resettlement and urban renewal, as well as all other policies that the Authority may require for the effective discharge of its duties as long as these are not contrary to existing laws;
- e. Order, authorize, direct and coordinate with offices and task forces of the Quezon City government in areas important to the implementation of its projects;



- f. Enter into such contract or agreement as may be necessary for the attainment of the purposes and objectives of this Ordinance, except with the members of the Board, Quezon City officials and employees and the relatives of the same up to the 4th civil degree of consanguinity or affinity or any judicial entity where such person mentioned has interest.
- g. Acquire by purchase privately owned lands for purposes of urban renewal, housing development, resettlement and related services and facilities; provided, that the acquisition is with consent of the City Council through a resolution;
- h. Design, formulate, negotiate and implement financial and/or investment schemes to enable private sector assistance and/or participation in the achievement of the goals of the Authority, and in carrying out its operations;
- i. Render annual reports to the Mayor and the City Council and such special reports as may be requested;

SECTION 8. Duties of the General Manager. The General Manager, as the Chief Executive Officer of the Authority, shall have the following duties and responsibilities:

- a. Directly supervise the operation and internal affairs of the Authority. The General Manager may delegate certain areas of his administrative responsibilities to other officers of the Authority subject to the rules and regulations promulgated by the Board;
- b. Prepare the agenda for the meetings of the Board and to submit for the consideration of the Board such policies and measures as he may believe to be necessary to carry out the purpose of this Ordinance;
- c. Execute, administer and implement the policies and measures approved by the Board;
- d. Subject to the approval of the Board, fix the number and salaries of, and appoint the subordinate officer and personnel of the Authority and to remove or otherwise discipline for cause, any such officer or employee;
- e. Represent the Authority in all dealings with other offices, agencies, and instrumentalities of the government and with all persons and entities, public or private, domestic or foreign;



- f. Act in the conduct of the business of the Authority, on all matters that are not by this Ordinance specifically reserved to the Board; and
- g. Exercise such other powers and perform such other duties as may be vested in him by the Board;

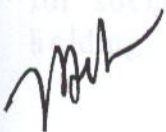
SECTION 9. Organizational Structure of the Authority. The General Manager shall prepare the organizational structure of the Authority in such manner as would best carry out its powers and functions and attain the objectives of this Ordinance and present the same to the Board for its approval. Within three (3) months therefrom, the Board shall present the approved structure to the City Council for its confirmation.

The General Manager shall, subject to the approval of the Board, determine and appoint the subordinate officers, personnel and consultants, if necessary, of the Authority. Subject to approval of the Board, the General Manager shall likewise determine the rates of allowances, honoraria and such other additional compensation, which the Authority is hereby authorized to grant its officers, technical staff and consultants including the necessary detailed personnel.

SECTION 10. Inventory of Lands. Within three (3) months from the effectivity of this Ordinance, an inventory of all kinds of lands and improvements thereon, within the territorial jurisdiction of Quezon City, shall be conducted by three (3) reputable independent appraisers. The inventory shall include the following:

- a. Lands owned by the National government;
- b. Lands owned by the Quezon City government;
- c. Unregistered or abandoned and idle lands; and
- d. Other lands which may be of use to the City government in pursuit of the objectives of this Ordinance.

In conducting the inventory, the independent appraisers shall indicate the type of land use and the degree of in land utilization, and other data or information necessary to carry out the purposes of this Ordinance. They shall submit their report on the appraisal and inventory of lands to the City Mayor and the City Council.



SECTION 11. Identification of Sites for Socialized Housing. After the inventory, the Authority, in coordination with the City Council, shall identify lands for socialized housing and resettlement areas for the immediate and future needs of the marginal and low-income families in Quezon City, 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.

Land for socialized housing shall be acquired in the following order:

- a. Those owned by the Quezon City government;
- b. Alienable lands of the public domain;
- c. Unregistered or abandoned and idle lands;
- d. Those within the declared Areas for Priority Development, Zonal Improvement Program Sites, and Slum Improvement and Resettlement Program sites which have not yet been acquired; and
- e. Privately owned lands.

Where open-site development is found more practicable and advantageous to the beneficiaries, the priorities mentioned in this section shall not apply. The Authority shall give budgetary priority to on-site development of government lands.

SECTION 12. Socialized Housing Development. The Authority shall maintain as its primary focus the development of socialized housing, which may be accomplished in any of the following ways:

- a. Development of new settlement;
- b. Slum upgrading or renewal of areas for priority development and environmental improvement and resettlement program;
- c. Relocation of urban residents, including squatters and informal settlers who are involuntarily displaced due to the housing and urban renewal program undertaken by the Authority.

For this purpose, the Authority shall be required to develop an area for socialized housing equivalent to sixty percent (60%) of its total land holding.

SECTION 13. Completed Projects: Management and Disposition. The Authority shall determine, establish and maintain the most feasible and effective program for the management or disposition of specific urban renewal, housing or resettlement projects undertaken by it. Unless otherwise decided by the Board, completed housing or resettlement projects of Quezon City shall be managed and administered by the Authority until such other arrangements for the discharge of said responsibility have been approved, provided that the communities/residents have been fully consulted on the arrangements.

SECTION 14. Eligibility Criteria for Socialized Housing Program Beneficiaries. To qualify for the socialized housing program, a beneficiary:

- a. Must be a Filipino citizen;
- b. Must belong to the marginal and low-income families in Quezon City;
- c. Must not own any real property in the urban area; and
- d. Must not be a professional squatter or a member of squatting syndicates.

Beneficiaries may also include employees of government entities whose offices are situated in Quezon City.

The Authority, in coordination with the City Council shall design a system for the identification and registration of qualified program beneficiaries in accordance with the objectives of this Ordinance.

SECTION 15. Issuance of the Bonds and Powers to Borrow. The Authority, through a City Council resolution, may be authorized to issue bonds and other securities, and enter into any form of indebtedness to finance the implementation of its urban renewal and housing program: Provided, that only so much of such bonds and securities shall be issued and sold as the annual project implementation would require; and Provided further, that no bonds and securities shall be issued unless eighty percent (80%) of those already issued have been sold; and Provided finally, that the total amount of the bond or securities and long-term debt issued shall in no case exceed twenty times the paid up capital and surplus of the Authority.

The Authority, in consultation with the Secretary of Finance and the Monetary Board, shall prescribe the form, the rate of interest and denomination, maturities, negotiabilities, call or redemption features and all other terms and conditions for the bonds and securities to be issued.

The bonds and securities issued under this Ordinance, including the income thereof, shall be exempt from all kinds of local taxes and from attachment, execution and seizure which facts shall be stated on the face thereof. The City government shall seek from the National government the exemption from all kinds of national taxes of such bonds and securities to be issued under this Ordinance.

SECTION 16. Auditor. The Board shall engage the services of a reputable independent auditor, who shall examine, verify and report on the earnings, expenses and the soundness of its operation. The said report of the independent auditor shall be submitted to the Office of the Mayor and the City Council.

SECTION 17. Reports. The Authority shall submit an annual report to the Mayor and to the City Council indicating, among others, the urban renewal and housing program being implemented, the stage of implementation, and the financial position of the Authority. It shall likewise submit such periodic and other report as may be required by the Mayor and/or City Council.

The City Council shall undertake the internal and external monitoring of the Authority's housing and urban development to ensure complete and objective information about the progress of resettlement. The City Council shall also:

- a. Assess whether resettlement objectives have been met, specifically whether livelihoods and living standards have been restored or enhanced;
- b. Assess resettlement efficiency, effectiveness, impact and sustainability;
- c. Ascertain whether the resettlement entitlements were appropriate in meeting the objectives, and whether the objectives were suited to the conditions.

SECTION 18. Applicability of the Corporation Code. The provisions of the Corporation Code, insofar as they are not inconsistent with the provisions and policies provided in this Ordinance, shall be applicable and suppletory to the Authority.

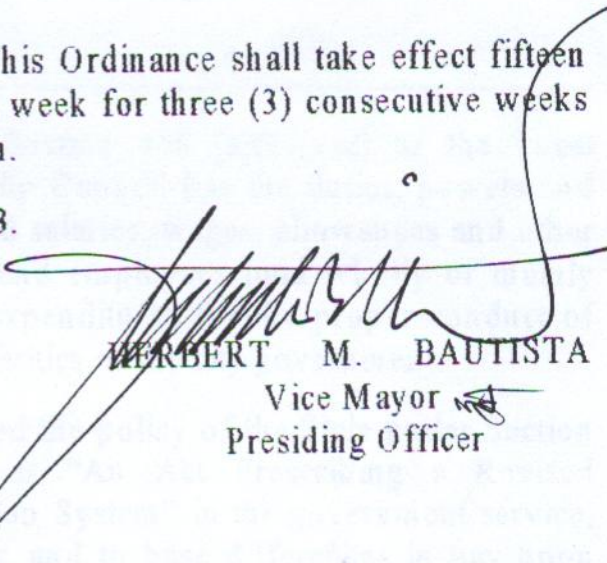
SECTION 19. Appropriation. The amount of One Hundred Million Pesos (Php100,000,000.00) which shall constitute partial payment of the subscription of the Quezon City government in the capital stock of the authority as provided in Section 4, is hereby appropriated out of the General Fund of Quezon City not otherwise appropriated to support its organizational and pre-operating expenses, develop a corporate and financial plan, formulate its policies, staffing structure and initial project identification and feasibility studies.

SECTION 20. Repealing Clause. Any provision of Ordinances, rules and regulations of the City government inconsistent herewith are hereby repealed, amended or modified accordingly.

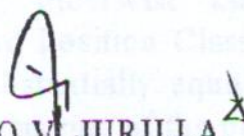
SECTION 21. Separability Clause. If for any reason, any section or provision of this Ordinance is declared to be unconstitutional or invalid, the other sections or provisions hereof, which are not affected shall continue to be in full force and effect.

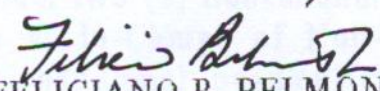
SECTION 22. Effectivity. This Ordinance shall take effect fifteen (15) days after its publication once a week for three (3) consecutive weeks in the newspaper of general circulation.

ENACTED: April 1, 2003.


HERBERT M. BAUTISTA
Vice Mayor
Presiding Officer


ATTESTED:


EUGENIO V. JURILLA
City Council Secretary

APPROVED: May 8, 2003

FELICIANO R. BELMONTE, JR.
City Mayor

CERTIFICATION

This is to certify that this Ordinance which was APPROVED on Second Reading on April 1, 2003, was finally PASSED on Third Reading by the City Council on April 22, 2003.


EUGENIO V. JURILLA
City Council Secretary

6