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OFFICE OF THE SANGGUNIANG PANLALAWIGAN SECRETARY

CERTIFICATION

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that at the regular session duly constituted of the Sangguniang Panlalawigan, Province of Pangasinan, held on August 12, 2005 at Lingayen, Pangasinan, the following provincial ordinance was approved:

Sponsored by SP Member Emmanuel C. Carancho

EXPLANATORY NOTES

The realization of true and genuine local autonomy vested unto the Local Government Units (LGUs) by Republic Act 7160, otherwise known as the Local Government Code of 1991, adds a meaningful hue to the LGUs role as an effective partner of the national government in attaining national goals. Goals that are directed for the general welfare. Goals that lighten the burden of the masses and bring them to equal footing with the elites. Goals that seek to effectively create not only a semblance of social justice, but also a sincere existence thereof.

The delivery of basic needs to the people, therefore, is but one of the main thrusts of effective governance. One basic need, which warrants immediate attention, is **SHELTER**. Because shelter is necessary to everyone, the problem of providing adequate housing has long been a concern, not only of individuals but of government as well. Thus, the history of housing is inseparable from the social, economic and political development of humankind.

Cognizant with the resurging force of informal settlers (squatters) and the proliferation of squatting syndicate, with the alarming increase of displaced families brought about by natural calamities, the provision of shelter for the people became one of the top priorities of the government. Resettlement sites, socialized and economic housing programs and projects were designed to meet this impending exigency.



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In Pangasinan, where close to 105,000 families are without permanent dwellings, an office was created to address this dilemma. By virtue of Executive Order No. 50-93 and Provincial Appropriation Ordinance No. 3, S-1995, the Pangasinan Housing and Urban Development Coordinating Office (PHUDCO) came to existence and tasked to address the pressing need for shelter and urban development in the province.

In its nine (9) years of existence, the PHUDCO established linkages with the key shelter agencies in the implementation and development of two (2) resettlement sites and five (5) socialized/economic housing projects benefiting a total of 1,474 families in the province.

In a province-wide inventory of lands conducted by PHUDCO in 2001, there are 373 parcels of land with an aggregate area of 1,392 hectares that are potential sites for resettlement, socialized and economic/low-cost housing. If developed, these lands can translate to about 97,440 homelots. However, to implement a single housing project would require huge funding. LGUs wanting to implement a housing project usually depend on national government funds or incur loan obligations with Government Financial Institutions (GFIs) or Private Financial Institutions (PFIs). Most LGUs also seem reluctant to undertake housing projects because of the tedious documentary requirements coupled by the huge funding requirement. In some instances, funds for housing development from the national government is not enough requiring LGUs to provide equity or assign a portion of their Internal Revenue Allotment (IRA) just to implement the project.

In the pursuit of the Pangasinan "Pabahay" Housing Program, Governor Victor E. Agbayani devised an innovative scheme aimed at generating funds to support the implementation of resettlement, socialized and economic/low-cost housing projects in the Province. This scheme is consistent with the provision of RA 7279 (Urban Development and Housing Act of 1992), calling particular attention to Article XI, Section 42 (c), (e) and (f) and Section 43, that specifies the source of funds to implement housing program.



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An Ordinance creating a Provincial Housing Trust Fund is hereby proposed to:

- 1. To generate a revolving fund for the continuing program for the homeless and underprivileged constituents of the Province;
- 2. To create a ready and capable channel in bringing about more effective delivery of shelter;
- 3. To generate local employment and augment the income and/or revenues for the Province by providing innovative scheme wherein the Province can directly undertake socialized/low-cost and resettlement projects;
- 4. Optimize the use of urbanizable idle lands within the Province;
- 5. The Province endeavors to be self-reliant in discharging its duties of providing dwelling unit to every homeless family residing within its area of jurisdiction.

The proposed ordinance is divided into seven (7) Articles. Article I deals with the Title, Statement of Policies and the Definition of Terms applied in this ordinance. Article II specifies the Source of Funds, Article III states the Allocation of the PHT Funds. Article IV deals with the Limitations and Scope of the PHTF, Article V provides for the Creation of the Pangasinan Housing Trust Fund Board to manage the PHTF and Articles VI and VII, Other Provisions and the Effectivity of the Ordinance.

It is therefore hoped that with the adoption and approval of the Proposed Ordinance, housing production in the Province will enter a new pace enabling the Province to implement the specific mandate based on RA 7279 and RA 7160.



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PROVINCIAL ORDINANCE NO. 118-2005

AN ORDINANCE CREATING THE PANGASINAN HOUSING TRUST FUND TO BE UTILIZED FOR HOUSING PROGRAMS AND PROJECTS OF THE PROVINCE

WHEREAS, pursuant to the Local Government Code of 1991 (RA 7160) and the Urban Development and Housing Act of 1992 (RA 7279), local government units are mandated to take the principal role in the provision of shelter and other basic services to its constituents;

WHEREAS, due to limited funds, it was observed that local government units are usually dependent on fund support from the national government or private financing institutions in the implementation of socialized/low-cost and resettlement projects for its marginalized, homeless and underprivileged constituents:

WHEREAS, Chapter 2, Article 1, Section 309 (b) of the Local Government Code of 1991 (RA 7160), authorizes the local government units to create/establish a special fund for a specific purpose;

WHEREAS, the Provincial Government of Pangasinan recognizes the need for the establishment of a Provincial Housing Trust Fund to ensure continuous funding for the local housing program, thus, providing for a strong and sustainable source of local funds for province's shelter program for the people;

NOW, THEREFORE, on motion of SP Member Emmanuel C. Carancho, duly seconded –

Be it ordained by the Sangguniang Panlalawigan in session assembled that:

ARTICLE I TITLE, POLICY AND DEFINITION OF TERMS

SECTION 1. TITLE. This Ordinance shall be known as the "Pangasinan Housing Trust Fund Ordinance".



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SECTION 2. DECLARATION OF PRINCIPLES. It shall be the policy of the Provincial Government of Pangasinan to establish an effective and efficient housing program to address the shelter problem.

- a. It is essential to have a revolving fund for a continuing program for the homeless and underprivileged and low-income constituents of the Province.
- b. To create a ready and capable channel in bringing about a more effective delivery of shelter.
- c. To generate employment and augment the income and/or revenues for the Province by providing innovative scheme wherein the Province shall directly undertake socialized/economic housing and/or resettlement projects.
- d. To optimize the use of urbanizable idle land within the Province.
- e. The Province endeavors to be self-reliant in discharging its duties of providing dwelling units to every homeless family residing within its area of jurisdiction.

SECTION 3. STATEMENT OF OBJECTIVES. This Ordinance shall have the following objectives:

- a. To establish a unified and consolidated Pangasinan Housing Trust Fund (PHTF) to be generated from such sources as may be provided for in this Ordinance.
- b. To maintain a PHTF that may be readily utilized by the Province in support of such housing programs and projects enumerated.
- c. To create a Pangasinan Housing Trust Fund Board which shall manage and administer such PHTF in accordance with the provisions of this Ordinance.

SECTION 4. LIBERAL CONSTRUCTION. The provisions of this Ordinance shall be liberally construed to effectuate the policy declared hereunder and the objectives stated herein.



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SECTION 5. DEFINITION OF TERMS. The technical terms used in this Ordinance shall be defined and understood to have the meaning correspondingly indicated as follows:

- a. **Economic/Low-Cost Housing** a type of housing project provided to families with formal income.
- b. **GFI** Government Financial Institution.
- c. **HLURB** Housing and Land Use Regulatory Board.
- d. **Homeless and Underprivileged Citizens** are beneficiaries of Urban Development and Housing Act (UDHA) and this Ordinance, and refer to individuals 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 (NEDA) who do not own housing facilities. This includes those who live in makeshift dwelling units and do not enjoy security of tenure.
- e. **Idle Lands** refer to non-agricultural lands in urbanizable areas on which no improvements have been made by the owner as certified by the Municipal or Provincial Assessor.
- f. **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 50% of the assessed value of the property.
- g. **KSA** Key Shelter Agencies which include but not limited to the following: Housing and Urban Development Coordinating Council (HUDCC), National Housing Authority (NHA), Housing and Land Use Regulatory Board (HLURB), Home Development Mutual Fund (HDMF), Government Service Insurance System (GSIS), Social Security System (SSS), Home Guaranty Corporation (HGC), National Home Mortgage Finance Corporation (NHMFC) and the Presidential Commission for the Urban Poor (PCUP).
- h. **LGSRP** Lingayen Gulf Squatters Resettlement Project wherein relocated informal settlers will be required to pay a minimal amount to recover cost of land development.
- i. **NHA** National Housing Authority.



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- j. **Pangasinan Housing Trust Fund or PHTF** Special Fund derived primarily from proceeds of loans, grants, donations, housing bond floatation, social housing tax, and sale of provincial government-owned lands be utilized as a revolving fund for resettlement, socialized/low-cost housing development of the Province.
- k. **PFI** Private Financial Institution.
- l. **PHUDCO** refers to the Pangasinan Housing and Urban Development Coordinating Office.
- m. **PP 499** refers to Presidential Proclamation No. 499 issued by President Fidel V. Ramos on October 28, 1994 declaring certain parcels of land of the public domain in Pangapisan Norte and Maniboc, Lingayen, Pangasinan reserved for resettlement and development sites purposes.
- n. **Progress Billing** Monetary release from the PHTF is based on the accomplishments made on the project by the authorized developer/contractor.
- **o. Province** Provincial Government of Pangasinan.
- p. **RA 7160** refers to the Local Government Code of 1991.
- q. **Resettlement** 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 qualified homeless and underprivileged informal settlers.
- 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 the UDHA.
- s. **UDHA** refers to the Urban Development and Housing Act of 1992 (Republic Act 7279).
- t. **Urbanizable Areas** refer to sites and lands which, considering present characteristics and prevailing conditions, display marked and great potential of becoming urban areas within a period of five (5) years.



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ARTICLE II ESTABLISHMENT OF THE PANGASINAN HOUSING TRUST FUND (PHTF) AND THE SOURCE OF FUNDS

SECTION 6. ESTABLISHMENT OF PANGASINAN HOUSING TRUST FUND (PHTF). There shall be establish a unified and consolidated Pangasinan Housing Trust Fund (PHTF) which shall be generated from such funding sources as provided in this Ordinance and which shall be utilized by the Province primarily for the implementation of such housing programs and projects as herein enumerated.

SECTION 7. INITIAL SOURCE OF FUNDS.

- a. The share of the Province from the amount generated by the sale of the 5.5-hectare raw land located at Barangay Maniboc, Lingayen, Pangasinan, reserved for socialized housing thru Presidential Proclamation No. 499, covered by Original Certificate of Title (OCT) SPS-1-37165 under the administration of the Province and NHA. The amount of the share of the Province on the raw land will be determined thru a Memorandum of Agreement with the NHA, the co-owner of the property.
- b. Collections of development fees from the Lingayen Gulf Squatters Resettlement Project (LGSRP) located at Barangay Pangapisan Norte, Lingayen, Pangasinan. Relocated squatters who are beneficiaries of the LGSRP are required to pay an amount to be determined by the Sangguniang Panlalawigan of Pangasinan thru an Ordinance. The recovery on the cost of the land development of the LGSRP is in consonance with the Memorandum of Agreement (MOA) dated July 21, 1994 entered by the Province and NHA with other government agencies involved in this project.
- c. Donations, grants and bequests from domestic or foreign public and private organizations or from concerned citizens; provided that the donations herein stated shall refer only to those granted to the Province for housing purposes without any encumbrances; provided further, that donations whether in cash or in kind granted to the Province for an intended purpose other than housing shall not be included in the PHTF and shall be deemed automatically appropriated for such purpose(s) specified by the donor.



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- d. Income derived by the Province from other tenurial activities on existing socialized/low-cost housing and/or resettlement projects to include but not limited to the following:
 - 1. Processing fees in the implementation of housing projects;
 - 2. Issuance of certifications, endorsements, letter of requests as required by government and private financial institutions or other concerned government agencies; *and*
 - 3. Others of similar nature.
- e. Fines imposed by the project proponent, Province, on violations committed by the beneficiaries on the policies, rules and regulations promulgated by the PHTF Board.
- f. Accreditation fees on a per project basis from contractors/developers interested in the housing program.
- g. Proceeds from the Social Housing Tax and the Idle Land Tax as provided in the pertinent provisions of the Amended Revenue Tax Code of the Province of Pangasinan.

SECTION 8. REMITTANCE. The funding sources herein enumerated as accruing to the PHTF shall be deposited in full, as a combo account, only in such authorized government depository bank, upon remittance of the same to the Provincial Treasury. The interest income therefrom shall accrue to the PHTF. Income collected and accruing to the PHTF shall bear the sub-responsibility code as may subsequently be provided by the Provincial Accounting Office.

ARTICLE III ALLOCATION OF THE PANGASINAN HOUSING TRUST FUND

SECTION 9. PURPOSE OF THE TRUST FUND. The PHTF shall be utilized by the Province to fund the following:

- a. Land acquisitions located within the Province to be developed for socialized/low-cost housing or resettlement projects;
- b. To finance land development and other infrastructure facility in case the land has been granted gratuitously to the Province;
- c. To serve as equity on the cost to attain a most affordable house and lot package;



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- d. Seed capital for livelihood projects in resettlement areas;
- e. Expenses for titling and/or other documentation processes of projects financed by the PHTF; *and*
- f. Payment of just compensation to private land owners in the exercise by the Province of its power of eminent domain.

SECTION 10. DISBURSEMENT. Increments of, or the whole amount of the PHTF shall be made available to the PHTF Board to fund such housing programs and projects hereunder enumerated. Availment of the PHTF by the Board shall be made only in such authorized government depository bank. Provided, that availment thereof shall not require any prior clearance or approval from any other government agency.

Payments out of the PHTF shall be made solely in accordance with the purposes specified under this Ordinance, subject to existing government accounting and auditing rules and regulations.

ARTICLE IV LIMITATIONS

SECTION 11. SCOPE AND LIMITATIONS ON THE PROPERTY.

- a. Lands to be purchased by the Province using the PHTF shall cover lots located only within the territorial jurisdiction of the Province suitable for housing/resettlement projects as certified by the City/Municipal Planning and Development Coordinator based on the updated Comprehensive Land Use Plan and Zoning Ordinance or from the Regional Office of the Housing and Land Use Regulatory Board (HLURB).
- b. Preference shall be made on lands covered by a valid and legal title, free from liens and encumbrances. Lands covered by duly issued tax declarations may be considered for housing projects.
- c. For lands already classified as residential, the classification must be residential prior to August 15, 1988 as duly certified by the City/Municipal Planning and Development Coordinator based on updated Comprehensive Land Use Plan.
- d. Agricultural lands suitable for the housing projects may be utilized. Conversion and/or reclassification process of agricultural lands may be undertaken using the PHTF.



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- e. Tenants and/or illegal occupants on the land must be legally thresh out by the owner with the assistance of the PHUDCO prior to any monetary release from the PHTF.
- f. Price of land must not exceed the average assessed value of the land within the last five (5) years reckoned from the year of the negotiated purchase and/or the appraised value of the land by the Provincial Appraisal Committee whichever is lower.
- g. Publication in at least two (2) newspapers of local circulation that the land intended to be purchased has been identified for resettlement/socialized/economic housing project of the Province specifying the price of the land, name of the absolute owner, other specifics and inviting the public to register any objection on the transaction.

SECTION 12. LIMITATIONS ON THE PHTF.

- a. The PHTF is special, independent and exclusive to be utilized for the purposes/allocation herein pronounced.
- b. The release of the PHTF shall be on a per project based on Progress Billing. Monetary release from the PHTF is based on the accomplishment made on the project by the authorized developer/contractor.
- c. Mobilization expenses are limited to fifteen percent (15%) of the total project cost.
- d. Approval by at least two-thirds (2/3) of the members of the Provincial Housing Trust Fund Board is a condition precedent prior to any disbursement from the PHTF for a particular housing project.
- e. Additional release from the PHTF for a particular housing project wherein the amount to be allocated has already been determined requires the concurrence of at least two-thirds (2/3) of the members of the Provincial Housing Trust Fund Board.



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ARTICLE V PANGASINAN HOUSING TRUST FUND BOARD

SECTION 13. CREATION. To ensure an effective implementation of the provisions and intentions of this Ordinance, the Pangasinan Housing Trust Fund Board is hereby created which shall be called as the PHTF Board.

SECTION 14. COMPOSITION. The Pangasinan Housing Trust Fund Board, which shall hereinafter be referred to as the PHTF Board, shall be composed of the following:

Chairman : Governor of Pangasinan

Vice Chairman : Provincial Housing and Homesite

Regulation Officer

Members : Board Member – Chairman,

Committee on Housing, Land

Utilization and Energy Provincial Legal Officer Provincial Engineer Provincial Treasurer Provincial Assessor General Services Officer

SECTION 15. PHTF BOARD SECRETARIAT AND IMPLEMENTING ARM. The Pangasinan Housing and Urban Development Coordinating Office (PHUDCO) shall assume Secretariat functions in all meetings of the PHTF Board. The PHUDCO, under the Office of the Governor, shall also design, program, undertake documentation process, execute and coordinate all plans, projects and activities relating to the implementation of housing programs/projects utilizing the PHTF.

SECTION 16. POLICIES. The PHTF Board, shall among other things, formulate, develop, implement, and monitor policies on the effective and efficient management and operation of the funds for the purposes provided in this Ordinance.



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SECTION 17. MEETINGS AND QUORUM OF THE BOARD. The Board shall meet regularly on a quarterly basis to plan, assess and evaluate its programs, projects and activities. However, the Chairman may call a meeting of the PHTF Board anytime or as often as he deems necessary. The presence of at least a majority of its members constitutes a quorum to transact business. The members should duly authorize a permanent representative.

SECTION 18. POWERS AND FUNCTIONS OF THE BOARD.

- 1. The PHTF Board shall be responsible for the management and administration of the Provincial Housing Trust Fund and to approve the policies, rules and regulations necessary to implement the purposes for which the Trust Fund was created.
- 2. Monitors the nature and progress of land development of projects it has approved, as well as the housing construction in the case of house and lot packages, to ensure their faithful compliance with the approved plans and specifications.
- 3. Evaluates the feasibility of the housing projects to be undertaken for socialized/low-cost housing and resettlement projects zeroing on factors that would elicit the minimum expense on land development and house construction without sacrificing the quality of the housing projects.
- 4. Authorizes the use of provincial government equipment, machineries and personnel in as equity in the development and construction of housing projects.
- 5. Upon recommendation of the PHUDCO, taps properties suitable for socialized, low-cost housing and resettlement based on inventory of lands including idle provincial government-owned or acquired lands. The PHTF Board may recommend that expropriation proceedings be undertaken by the provincial government on private lands suitable for housing and resettlement.



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- 6. Undertakes the formulation of a housing development plan for each housing project to determine the progress/accomplishment of the project, such Plan shall be presented to the Sangguniang Panlalawigan for its review and approval.
- 7. Coordinates with concerned GFIs and PFIs for additional funding support for the housing projects.
- 8. Ensures the qualifications of socialized/economic housing and resettlement beneficiaries by creating a Beneficiary Selection Committee composed of the Pangasinan Housing and Homesite Regulation Officer, Provincial Administrator and the Provincial Social Welfare and Development Officer.
- 9. Coordinates partnership arrangements with the national government on, but not limited to, the following programs:
 - a. Housing Production Assistance, Resettlement Assistance, Local Housing, Cost Recoverable Joint Venture and other relevant programs of the National Housing Authority (NHA);
 - b. Local government housing assistance programs of the Home Development Mutual Fund (HDMF), National Home Mortgage Finance Corporation (NHMFC) and the Home Guaranty Corporation (HGC); *and*
 - c. Other socialized housing projects undertaken by other national government agencies and government-owned and controlled corporations within the province.

ARTICLE VI OTHER PROVISIONS

SECTION 19. FORMULATION OF IMPLEMENTING RULES AND REGULATIONS. Within sixty (60) days from the effectivity of this Ordinance, the PHTF Board shall formulate such rules and regulations for the implementation of this Ordinance which shall be presented to the Sangguniang Panlalawigan for its review and approval.



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SECTION 20. SEPARABILITY CLAUSE. – In the event that any provision of this Ordinance is declared separable or unconstitutional, such declaration shall not affect other parts therein.

SECTION 21. REPEALING CLAUSE. – Existing ordinance inconsistent with any of the provisions of this Ordinance is hereby amended or revoked.

ARTICLE VII EFFECTIVITY

SECTION 22. This Ordinance shall take effect fifteen days after its publication in at least two (2) newspapers of local circulation.

ATTY. VERNA T NAVA-PEREZ
Secretary to the Sanggunian

ATTESTED:

SP MEMBER MANUEL D. ANCHETA

Temporary Presiding Officer

APPROVED:

VICTOR E. AGBAYANI

Governor