

Title:

Holy Trinity Realty & Development Corporation vs. Victorio Dela Cruz, Lorenzo Manalaysay, Ricardo Marcelo Jr., and Leoncio De Guzman

Facts:

- **1988**: Petitioners own a 212,500 square meters parcel of land in Malolos, Bulacan (“Dakila Property”), initially tenanted by various individuals.
- **August 1991**: Tenants waiving their rights for financial assistance and homelots.
- **September 17, 1992**: Petitioners buy a 208,050 sq m portion of the Dakila Property from Santiago, subdivide it into six lots, and reclassify it as residential property with Sanggunian approval (Municipal Resolution No. 16-98).
- **March 4, 1998**: Municipal Planning and Development Office (MPDO) issues conformation for reclassification.
- **August 23, 1999**: Petitioners buy another 25,611 sq m parcel in Sumapang Matanda, Malolos, Bulacan.
- **April 2006**: Complaints alleging improper sale and calls to place Dakila Property under Operation Land Transfer under PD 27 by BARC Chairman Enriquez.
- **DAR Proceedings**: Requests for reclassification and annulment of sale filed with PARAD.
- **August 18, 2006**: OIC-Regional Director orders Dakila property under PD 27 and RA 6657.
- **Petitioner** files motions and appeals multiple times, arguing against jurisdiction, lack of due process, and premature EP issuance.
- **November 22, 2007**: DAR Secretary Pangandaman denies petitioner’s appeal; OP later reverses this.
- **CA Proceedings**: CA reinstates OIC-Regional Director’s decision, accepts the respondent’s appeal but the petitioner contends procedural issues resulting in SC review.

Issues:

1. Whether the Dakila property is subject to PD 27 or RA 6657 based on its character and classification.
2. Whether the issuance of Emancipation Patents (EPs) was premised on valid procedural and jurisdictional compliance.
3. Whether the conversion and reclassification process adhered to the standards under local government and agrarian reform statutes.
4. Whether procedural due process was followed by the DAR in this matter.
5. Whether verification and proper procedural actions by CA and respondents’ petition were

legally sufficient.

Court's Decision:

The Supreme Court reversed the CA's decision and reinstated the OP's decision. It ruled as follows on the issues:

1. **Dakila Property's Classification**:

- The Court affirmed that Dakila property was not an agricultural land within the meaning of RA 6657 or PD 27 as no agricultural activity was conducted since it had already been reclassified for residential purposes.
- An ordinance from the Sanggunian was required for reclassification, which was missing. However, the land's unsuitability for agriculture due to lack of sufficient irrigation and ongoing residential development affirmed by official findings negated the classification as agricultural land.

2. **Procedural Compliance and Issuance of EPs**:

- EPs were prematurely issued without proper procedural compliance, including the necessary notices and hearings mandated by agrarian reform laws and administrative issuances.
- No evidence that proper steps were followed, highlighting due process violations, especially involving lack of notice and unjust deprivation.

3. **Reclassification Standards**:

- Resolution No. 16-98 was inadequate as it wasn't an ordinance and lacked public hearings which are mandatory.
- However, the factual confirmation from various governing bodies suggested the area was indeed unfit for agriculture, thus supporting non-application of agrarian laws.

4. **Due Process**:

- The provisions and procedures under RA 6657 and relevant DAR AOs were mandatory and not followed.
- Non-compliance rendered actions relating to property null, and full and fair opportunity for the petitioner to defend against the land distribution was absent.

5. **Verification & Compliance**:

- Transportation of petition to SC with due correction was accepted.
- The argument against the respondents' standing as petition signatories was dismissed as they had sufficient legal standing being legitimate parties.

Doctrine:

1. **Land Classification under Agrarian Law**: Non-agricultural lands are not subject to agrarian reform coverage.
2. **Due Process in Agrarian Reform**: Mandatory compliance with procedural requirements, including prior notice and hearings, before land is subjected to agrarian reform actions such as issuance of EPs.
3. **Jurisdictional and Procedural Compliance**: Proper classification and conversion or reclassification processes must adhere to substantive and procedural mandates under relevant statutes.

Class Notes:

- **Presidential Decree No. 27**: Covers only rice and corn lands, requiring proof of cultivation and tenancy.
- **Republic Act No. 6657 (Comprehensive Agrarian Reform Law)**: Broader application to all agricultural activities but also requiring proof of agricultural activity.
- **Local Government Code (RA 7160)** mandates ordinances (not resolutions) and public hearings for land reclassification.
- **Due Process in Land Reform**: Notice, field investigation, and hearings are prerequisites for valid land classification and distribution.

Historical Background:

Agrarian reform in the Philippines remains rooted in efforts to alleviate poverty among tenant farmers and landless tillers by redistributing land. The key statutes, PD 27 (1972) and RA 6657 (1988), shaped legal reforms favoring agrarian justice by transforming the agricultural economy and land ownership structure. This case reaffirms the bounds within which reforms operate, emphasizing compliance with procedural and classification rules to balance owner and beneficiaries' rights.