

LETTER OF INSTRUCTIONS NO. 509, February 16, 1977

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TO: The National Housing Authority
All Provincial, City and Municipal Governments
The Department of Public Works, Transportation and

Communications

The Department of Highways
The Local Water Utilities Administration
The Government Service Insurance System
The Social Security System
The Philippine National Bank and all government

financial institutions

Other National Government Agencies

SUBJECT: "PAMBANSANG BAGONG NAYON" PROJECT

- All local governments in designated regional growth centers all over the country as identified by the National Economic Development Authority and the Human Settlements Commission are hereby directed to create within their locality a model Bagong Nayon.
- The model Bagong Nayon shall be a new barangay which shall demonstrate the human settlements approach to community-building. The project shall replicate the "Bagong Nayon" Project of the Metro Manila Governor in Bo. Kamias, Antipolop, Rizal.
- The National Housing Authority shall direct the establishment of the model Bagong Nayons. For this purpose, the National Housing Authority shall issue planning guidelines for each Bagong Nayon, and shall issue approve project plans thereafter. The Authority shall likewise provide technical assistance to local governments upon the latter's request.
- The following basic concepts and approaches shall be utilized in the design of the Bagong Nayon Project:
 - Housing is a process of total development and shall encompass not only the provision of shelter in the Barangay but the uplift of environmental conditions, and the development of social and economic institutions for gainful employment and for political inter-action.
 - The resources already available to the people must be identified and the maximum utilization made of them.
 - Investments must be recoverable as much as possible with the possible exception of the direct inputs of national government agencies so that the local government may be able to expand and create new communities patterned

after the Bagong Nayon.

- Housing benefits must be affordable by the people. Physical standards must not constrain but facilitate meeting the basic necessities of shelter.
- Bagong Nayon Projects shall be undertaken on an interagency basis with national agencies undertaking project components falling under their respective functional areas, with the National Housing Authority as Project Coordinator and Administrator; as follows:
 - The Department of Public Works, Transportation and Communications shall provide funds and undertake the construction of vertical infrastructure designed for community use such as schools, multipurpose centers, as well as facilitate the availability of electricity and transportation in the area;
 - The Department of Public Highways shall provide funds and undertake the construction of access roads and major circulation roads in the Project area;
 - The Local Government shall provide approximately ten hectares of land suitable for development. For this purpose the local government may use vacant or underutilized land which belongs to any branch or agency of government including the foreclosed properties of any government financial institution under agreed terms and conditions. The National Housing Authority shall assist the local government in the acquisition of land whenever necessary.
 - The Local Water Utilities Administration shall provide funds and shall undertake the provision of water facilities to the community and for this may exact reasonable and appropriate dues from the Project residents.
 - The Philippine National Bank and other appropriate government financial institutions shall collect payments from the beneficiary of Bagong Nayon Projects through their branching network for a fee not to exceed 1% of amounts collected each month. For this purpose, the bank shall field the appropriate personnel to ensure prompt and expeditious collection. Collection shall be remitted immediately to parties designated by the Bagong Nayon Project Plan;
 - The local government shall provide for and coordinate social services of health and education to the community with the assistance of the Department of Health, the Department of Education and Culture, and the Department of Social Services and Development. Programmed requirements for the Bagong Nayon Project shall be funded on a continuing basis by the assisting national agencies;
 - The local government shall administer and maintain the completed project, particularly its roads and physical facilities, for which purpose it may exact reasonable and appropriate dues from the housing beneficiaries.
 - The National Housing Authority shall provide funds for the Bagong Nayon Project, unless otherwise specifically designated in this Letter of Instructions. Pursuant to Presidential Decree 757, it is hereby directed to float Housing Bonds, additional to whatever it has approved, in an amount not to exceed three hundred million P300,000,000 at an interest rate of 8% per annum repayable over 25 years, and the GSIS and the SSS are hereby directed to absorb these bonds at face value prorata. These funds shall be released upon the request of the National Housing Authority as projects are identified and approved.
 - The housing benefits in the Bagong Nayon shall be available to the beneficiaries under a long-term lease. The beneficiaries shall be selected by the local government subject to the concurrence of the National Housing Authority. If any such beneficiary shall be delinquent in his payments for more than two months in any year, the same shall be considered squatting in the premises and with the clearance of the National Housing Authority, shall be ejected from the premises, with all the force of law applied to him.

Done in the City of Manila, this 16th day of February, in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

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