

REPEALING PRESIDENTIAL DECREE NO. 814, REDEFINING THE POLICIES ON LAND TENURE IN THE TONDO FORESHORE DAGAT-DAGATAN URBAN DEVELOPMENT PROJECT

PRESIDENTIAL DECREE NO. 1314, March 20, 1978

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WHEREAS, the government has adopted under Letters of Instructions Nos. 555 and 557 dated 11 June 1977 Slum Improvement and Resettlement as a national policy and the strategy for dealing with slums and other blighted communities in urban areas;

WHEREAS, the Tondo Foreshore Dagat-Dagatan Development Project is the first project of the government under its Slum Improvement and Resettlement (SIR) Program and is being utilized as the workshop for evolving concepts in the implementation of this Program.

WHEREAS, Tondo Foreshore is a problem of longstanding where people have endured and suffered the deprivation and the degradation of having to live in a slum;

WHEREAS, Republic Act No. 1595 dated 16 June 1956 prescribes P5.00 per square meter as the price at which land shall be sold to bonafide occupants but does not specify the development concept nor provide for the introduction of critically needed community facilities and services to eliminate the condition of slum in the area;

WHEREAS, the government through the National Housing Authority has prepared a comprehensive and integrated development plan for the Project which shall provide the quality of life consistent with the dignity and aspirations of the people of the project area;

WHEREAS, in line with the compassionate approach of the New Society, the government recognizes that the people is the focal point and the only beneficiary of development and therefore desires to resolve the land tenure issue in the project area in favor of the resident families;

WHEREAS, the primary aspiration of the people of Tondo Foreshore is to own eventually the land that they occupy;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree.

SECTION 1. The land tenure system prescribed in this Decree is applicable to the residential areas in the Tondo Foreshore and such portions of Dagat-Dagatan which are to be residential sites of families to be displaced from the Tondo Foreshore as a result of the implementation of the comprehensive and integrated development plan for the Tondo Foreshore and Dagat-Dagatan Urban Development Project. The system so prescribed shall not, however, apply to parcels or sites within the aforementioned areas which have been developed for apartments or medium-rise density buildings.

SECTION 2. The land tenure system shall be freehold with restrictions as follows:

- 2.1) Titled land and land with claims or "vested rights" such as those covered by final Deeds of Sales,

Agreement to Sell and other legal claims which are recognized by the National Housing Authority herein referred to as the "Authority".

2.2) Untitled land or land not subject to "vested rights" which upon issuance of Certificates of Occupancy to a qualified project beneficiary is purchased outright by such beneficiary at a price to cover the cost of the land and the cost of providing facilities and services (hereinafter referred to as "development cost") either in cash or amortization for 25 years.

SECTION 3. For the purpose of this Decree, a Citizens' Committee consisting of five (5) members shall be formed in each barangay within the Project Area to perform the following functions:

3.1) Process request for transfer of residential land rights and sub-letting of dwelling units and structure within the Project Area based on policies, rules and regulations of the Authority.

3.2) Submit to the Authority recommendations on such transfers and sub-letting for review and approval.

The Barangay Chairman in each barangay shall automatically be a member of a Citizens Committee. The four (4) other members shall be elected for a term of one (1) year by the ambers of the barangay in a central meeting The Authority, in coordination with other government entities, specifically the Department of Local Government and Community Development, shall prescribe and implement the necessary rules and regutions for the conduct of the barangay election the members of the Citizens' Committee shall elect from among themselves a Chairman who shall convene the Committee to discuss business on hand.

SECTION 4. The sale and/or disposition of land in the Project Area shall be subject to the following conditions:

4.1) Except by hereditary succession, land under freehold right shall not be transferred, alinated, conveyed, or otherwise disposed of in any node to any person who does not need the criteria (based on income, multiple ownership, conformance of law, etc.) to be set by the Authority and implemented by Citizens' Committee to be created under Section 3 of this Decree whose recommendation on land transfer shall be subject to review and approval by the Authority.

4.2) The use, occupancy and development of land shell be subject to the general regulations and control of the Authority according to its approved development plan.

SECTION 5. Project beneficiaries holding titles to land or who are with claims or "vested rights" which are recognized by the Authority shall be charged a fee corresponding to the development cost based on current estimates which is allocable per square meters of residential area and which when amortized over 25 years at 12% per annum amounts to P0.95 per square meter per month; or the total development cost as computed by the Authority upon completion of the project, amortized monthly for a maxinun period of 25 years at 12% per annum, whichever is lower.

SECTION 6. Project beneficiaries, who upon issuance of Certificate of Occupancy, purchase the lend outright, shall pay the following charges:

6.1) The price of the land pegged at P5.00 per square meter as provided by Republic Act No. 1597 which amount may be amortized monthly ever a maximum period of 25 years and an interest rate of 12% per annum.

6.2) The development cost based on current estimates which is allocable per square meter of residential area and which when amortized over 25 years at 12% per annum amounts to P0.95 per square meter per month; or the total development cost is computed by the Authority upon completion of the project, likewise amortized monthly over a maximum of 25 years at an interest of 12% per annum, whichever is the lower.

However, project beneficiaries at or below the 20% percentile of income as determined by the Authority based on

its socio-economic surveys, may be allowed to pay initially lower rates which gradually escalate over time provided however that the equivalent value, together with interest accrued at 12% per annum on unpaid balances, is still completely paid overtime.

Upon full payment of the value of the land as set in (6.1) above, title shall be issued to the purchaser subject to a lien in the form of a mortgage for whatever value of development cost is still unpaid as of the time of payment of the land value.

SECTION 7. Project beneficiaries who, by virtue of Section 6.2 above, have to lease the land, shall be charged a lease rate to be determined by the Authority taking into consideration the capacity-to-pay of the beneficiary.

SECTION 8. In consideration of the disposition and grant of benefits under this decree payment by beneficiaries shall be made religiously and after a grace period of three (3) months failure to pay or update dues and/or amortization shall cause summary ejection from the project without need of court order and furthermore shall reduce the former beneficiary to a squatter on the premises with all the force of law applied to him.

The decisions, rulings, order or resolutions of the National Housing Authority relative to the disposition of the lots or dwelling units or such rights acquired hereunder or to the ejection of delinquent beneficiaries shall be final unless appealed to the Office of the President within thirty (30) days from receipt of such order, ruling or decision; Provided however, that the Office of the President is deemed to have affirmed the appealed decision, ruling order or resolution if within (60) days from notice of appeal, the said office has not reversed nor modified the same.

SECTION 9. The terms and provisions of this decree apply only in the case of areas designated by the Authority as residential under the plan developed for the area. The Authority is hereby empowered to specify other terms of land tenure, rules and regulations and fees other than those prescribed herein for areas designated as commercial and/or industrial sites. Neither shall the Citizens' Committee created under Section 3 above have any jurisdiction over these commercial/or industrial areas. For these areas, the Authority shall strive to recover as much as is possible and feasible of the investments made by the government in the project.

Considering the nature of the project, however, those households which due to the development plan, are displaced from their current areas because of the allocation of the area for a commercial and/or industrial purposes and for which the terms of occupancy and/or ownership is beyond their reach, shall have the option to exercise their privilege of purchase under freehold; with restrictions in an area they can afford in Dagat-Dagatan and they shall pay both purchase price and amortization of development costs as defined in Section 6.

SECTION 10. Sub-letting of dwelling units and structures on lands under freehold and leasehold shall be subject to recommendation of the Citizens Committee and approval of the Authority. It is understood that the Authority will not unreasonably withhold the approval of transfer of land to persons qualified under criteria referred to in Section 3.

SECTION 11. All lessee and holders of freehold titles shall pay normal real property taxes to the local government.

SECTION 12. Any provision of law, decree, executive orders, ordinances, rules and regulations inconsistent herewith are repealed, amended and notified accordingly.

SECTION 13. If for any reason, any section or provision of this Decree is declared to be unconstitutional or invalid, the other sections or provisions hereof which are not affected thereby shall continue in full force and effect.

SECTION 14. This Decree shall take effect immediately.

DONE in the City of Manila, this 20th day of March, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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