

[PRESIDENTIAL DECREE NO. 1517, June 11, 1978]

PROCLAIMING URBAN LAND REFORM IN THE PHILIPPINES AND PROVIDING FOR THE IMPLEMENTING MACHINERY THEREOF.

WHEREAS, it is a declared objective of the New Society to effect social, economic and political reforms attuned to the establishment of a secure national community and to an improved quality of life for all citizens and for all others who may sojourn upon our shores;

WHEREAS, the quality of human life in our times is inescapably determined by the relationship among population, resources, the environment, and intelligent policies;

WHEREAS, human settlements is an integrative concept embracing the interdependence of men's environment, human shelters and structure, and the design and organization of human communities consistent with a national framework plan, all for the people's security and well-being;

WHEREAS, land is the ultimate platform of all man's activities, and the crucial factor in determining the shape of human settlements;

WHEREAS, the basic law of the land explicitly provides for the regulation of the acquisition, ownership, use, enjoyment and disposition of private property and for the equitable diffusion of property ownership and profits which includes land and land resources;

WHEREAS, the traditional concept of landownership has aggravated the problem arising from urbanization such as the proliferation of blighted areas and the worsening of the plight of the urban poor and has spawned valid and legitimate grievances in urban centers giving rise to social tension and violent conflicts;

WHEREAS, a social reform objective of the New Society is to renew blighted areas, improve the conditions of the urban poor and resolve and redress legitimate grievances arising therefrom, while at the same time providing incentives to progressive landowners and developers who wish to develop their lands in accordance with government plans and programs responsive to community welfare;

NOW, THEREFORE, in the light of the above premises, **I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order, decree and make as part of the law of the land that:

SECTION 1. *Title.* This Act shall be known as the Urban Land Reform Act.

SEC. 2. *Declaration of Policy.* It is hereby declared to be the policy of the State a) to liberate our human communities from blight, congestion, and hazard, and to promote their development and modernization; b) to bring about the optimum use of land as a national resource for public welfare rather than as a commodity of trade subject to price speculation and indiscriminate use; c) to provide equitable access and opportunity to the use and enjoyment of the fruits of the land; d) to acquire such lands as are necessary to prevent speculative buying of land for public welfare; and e) to maintain and support a vigorous private enterprise system responsive to community requirements in the use and development of urban lands.

SEC. 3. Definitions. As used in this Decree, the following words and phrases shall have the following meanings or definitions:

- a. Development Rights, also known as "new use rights", refer to the right to use and/or develop land and improvements thereon including putting them to more intensive use, conversion to a more profitable use, increasing density and the like.
- b. Land Assembly refers to the acquisition of lots varying ownership through, among others, expropriation or negotiated purchase, for the purpose of planning and development unrestricted by individual property boundaries.
- c. Land Banking refers to the acquisition of land in advance of actual need for the purpose of acquiring lands at existing use value and disposing of them in a manner which would influence land price formation and promote planned development.
- d. Land Exchange refers to the process of bartering land for another piece of land and/or shares of stock of equal value in a government or quasi-government corporation.
- e. Joint Venture refers to the commitment, for more than a limited duration, of funds, land resources, facilities and services by two or more legally separate interests, to an enterprise for their mutual benefit.
- f. Tenant refers to the rightful occupant of land and its structures but does not include those whose presence on the land is merely tolerated and without the benefit of contract, those who enter the land by force or deceit, or those whose possession is under litigation.
- g. Urban lands refer to lands which conform to any of the following criteria:
 - 1. In their entirety, all cities and municipalities which have the population density of at least 1,000 persons per square kilometer and where at least 50 percent of the economically active population are engaged in non-agricultural activities.
 - 2. All barangays comprising the former poblacion or barangays including a part of the former poblacion of cities and municipalities which have a population density of greater than 500 but less than 1,000 persons per square kilometer; and where at least 50 percent of the economically active population engaged in non-agricultural activities.
 - 3. All barangays not included in items 1 and 2 above which have a population size of at least 1,000 and where at least 50 percent of the economically active population are engaged in non-agricultural activities.
- h. Urbanizable lands refer to sites and land areas which, considering present characteristics and prevailing conditions, display a marked and high probability of becoming urban lands within the period of five to ten years.

SEC. 4. Proclamation of Urban Land Reform Zones. The President shall proclaim specific parcels of urban and urbanizable lands as Urban Land Reform Zones, otherwise known as Urban Zones for purposes of this Decree, which may include Bagong Lipunan Sites, as defined in P.D. 1396.

Upon proclamation, the Ministry of Human Settlements, hereafter referred to as the Ministry, shall prepare the appropriate development and zoning plans, and formulate the enforcement and implementing guidelines which shall in force and effect upon approval by the President and shall be enforced by the Ministry or its attached agencies.

No urban land can be disposed of or used or constructed on unless its disposition or use conforms with the development and zoning plans of the Ministry, and the approved enforcement and implementation guidelines in accordance with the Official Development Registry System and the Development Use Permit System provided for in Sections 13 and 16 of this Decree.

SEC. 5. *Creation of an Urban Land Reform Coordinating Council.* An interagency body, to be known as the Urban Land Reform Coordinating Council, hereinafter referred to as the Coordinating Council, is hereby constituted. It shall be composed of the Ministers of Human Settlements, Agrarian Reform, Finance, Justice, Local Government and Community Development, Industry, Natural Resources, and the President of the Land Bank; with the Minister of Human Settlements as the Chairman.

The Ministry, in conjunction with the Coordinating Council shall formulate the general policies and guidelines for the Urban Land Reform Program and its rules and regulations, which shall come into force and effect upon the approval of the President.

SEC. 6. *Land Tenancy in Urban Land Reform Areas.* Within the Urban Zones, legitimate tenants who have resided on the land for ten years or more who have built their homes on the land and residents who have legally occupied the lands by contract, continuously for the last ten years shall not be dispossessed of the land and shall be allowed the right of first refusal to purchase the same within a reasonable time and at reasonable prices, under terms and conditions to be determined by the Urban Zone Expropriation and Land Management Committee created by Section 8 of this Decree.

SEC. 7. *Acquisition of Residential Lands for Existing Tenants and Residents.* In cases where the tenants and residents referred to in Section 6 of this Decree, are unable to purchase said lands, the Government shall acquire the land and/or improvements thereon by expropriation or other land acquisition technique provided for under Section 11 of this Decree.

In case of expropriation the Government shall acquire said lands in accordance with the policies of existing law especially Presidential Decree No. 76 as emended by paragraph 3 of Presidential Decree 1224 and Section 1 of Presidential Decree No. 1313 as herein amended.

Upon the filing of the petition for expropriation and the deposit in the Philippine National Bank at its main office or any of its branches of the amount equivalent to ten per cent (10%) of the declared assessment value in 1975, the Government, or its authorized agency or entity shall immediately have possession, control and disposition of the real property and the improvements thereon with the power of demolition, if necessary, even pending resolution of the issues that may be raised whether before the Court of First Instance, Court of Agrarian Relations, or the higher Courts.

SEC. 8. *Creation of Urban Zone Expropriation and Land Management Committee.* For the purpose of expropriating lands as provided under Section 7, the Ministry is hereby vested with the power of eminent domain.

To assist the Ministry in the exercise of this power, an Urban Zone Expropriation and Land Management Committee, hereinafter referred to as the Committee, shall be