

FIRST DIVISION

[G.R. No. 192896, July 24, 2013]

**DREAM VILLAGE NEIGHBORHOOD ASSOCIATION, INC.,
REPRESENTED BY ITS INCUMBENT PRESIDENT, GREG SERIEGO,
PETITIONER, VS. BASES CONVERSION DEVELOPMENT
AUTHORITY, RESPONDENT.**

D E C I S I O N

REYES, J.:

Before us on Petition for Review^[1] under Rule 45 of the Rules of Court is the Decision^[2] dated September 10, 2009 and Resolution^[3] dated July 13, 2010 of the Court of Appeals (CA) in CA-G.R. SP No. 85228 nullifying and setting aside for lack of jurisdiction the Resolution^[4] dated April 28, 2004 of the Commission on the Settlement of Land Problems (COSLAP) in COSLAP Case No. 99-500. The *fallo* of the assailed COSLAP Resolution reads, as follows:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Declaring the subject property, covering an area of 78,466 square meters, now being occupied by the members of the Dream Village Neighborhood Association, Inc. to be outside of Swo-00-0001302 BCDA property.
2. In accordance with the tenets of social justice, members of said association are advised to apply for sales patent on their respective occupied lots with the Land Management Bureau, DENR-NCR, pursuant to R.A. Nos. 274 and 730.
3. Directing the Land Management Bureau-DENR-NCR to process the sales patent application of complainants pursuant to existing laws and regulation.
4. The peaceful possession of actual occupants be respected by the respondents.

SO ORDERED.^[5]

Antecedent Facts

Petitioner Dream Village Neighborhood Association, Inc. (Dream Village) claims to represent more than 2,000 families who have been occupying a 78,466-square

meter lot in Western Bicutan, Taguig City since 1985 "in the concept of owners continuously, exclusively and notoriously."^[6] The lot used to be part of the *Hacienda de Maricaban* (*Maricaban*), owned by Dolores Casal y Ochoa and registered under a Torrens title,^[7] Original Certificate of Title (OCT) No. 291, issued on October 17, 1906 by the Registry of Deeds of Rizal.^[8] *Maricaban* covered several parcels of land with a total area of over 2,544 hectares spread out over Makati, Pasig, Taguig, Pasay, and Parañaque.^[9]

Following the purchase of *Maricaban* by the government of the United States of America (USA) early in the American colonial period, to be converted into the military reservation known as Fort William Mckinley, Transfer Certificate of Title (TCT) No. 192 was issued in the name of the USA to cancel OCT No. 291.^[10] The US government later transferred 30 has. of *Maricaban* to the Manila Railroad Company, for which TCT No. 192 was cancelled by TCT Nos. 1218 and 1219, the first in the name of the Manila Railroad Company for 30 has., and the second in the name of the USA for the rest of the *Maricaban* property.^[11]

On January 29, 1914, TCT No. 1219 was cancelled and replaced by TCT No. 1688, and later that year, on September 15, 1914, TCT No. 1688 was cancelled and replaced by TCT No. 2288, both times in the name of the USA.^[12] On December 6, 1956, the USA formally ceded Fort William Mckinley to the Republic of the Philippines (Republic), and on September 11, 1958, TCT No. 2288 was cancelled and replaced by TCT No. 61524, this time in the name of the Republic.^[13] On July 12, 1957, President Carlos P. Garcia issued Proclamation No. 423 withdrawing from sale or settlement the tracts of land within Fort William Mckinley, now renamed Fort Bonifacio, and reserving them for military purposes.^[14]

On January 7, 1986, President Ferdinand E. Marcos issued Proclamation No. 2476 declaring certain portions of Fort Bonifacio alienable and disposable^[15] in the manner provided under Republic Act (R.A.) Nos. 274 and 730, in relation to the Public Land Act,^[16] thus allowing the sale to the settlers of home lots in Upper Bicutan, Lower Bicutan, Signal Village, and Western Bicutan.^[17]

On October 16, 1987, President Corazon C. Aquino issued Proclamation No. 172 amending Proclamation No. 2476 by limiting to Lots 1 and 2 of the survey Swo-13-000298 the areas in Western Bicutan open for disposition.^[18]

On March 13, 1992, R.A. No. 7227 was passed^[19] creating the Bases Conversion and Development Authority (BCDA) to oversee and accelerate the conversion of Clark and Subic military reservations and their extension camps (John Hay Station, Wallace Air Station, O'Donnell Transmitter Station, San Miguel Naval Communications Station and Capas Relay Station) to productive civilian uses. Section 8^[20] of the said law provides that the capital of the BCDA will be provided from sales proceeds or transfers of lots in nine (9) military camps in Metro Manila, including 723 has. of Fort Bonifacio. The law, thus, expressly authorized the President of the Philippines "to sell the above lands, in whole or in part, which are hereby declared alienable and disposable pursuant to the provisions of existing laws and regulations governing sales of government properties,"^[21] specifically to raise capital for the BCDA. Titles to the camps were transferred to the BCDA for this

purpose,^[22] and TCT No. 61524 was cancelled on January 3, 1995 by TCT Nos. 23888, 23887, 23886, 22460, 23889, 23890, and 23891, now in the name of the BCDA.^[23]

Excepted from disposition by the BCDA are: a) approximately 148.80 has. reserved for the National Capital Region (NCR) Security Brigade, Philippine Army officers' housing area, and Philippine National Police jails and support services (presently known as Camp Bagong Diwa); b) approximately 99.91 has. in Villamor Air Base for the Presidential Airlift Wing, one squadron of helicopters for the NCR and respective security units; c) twenty one (21) areas segregated by various presidential proclamations; and d) a proposed 30.15 has. as relocation site for families to be affected by the construction of Circumferential Road 5 and Radial Road 4, provided that the boundaries and technical description of these exempt areas shall be determined by an actual ground survey.^[24]

Now charging the BCDA of wrongfully asserting title to Dream Village and unlawfully subjecting its members to summary demolition, resulting in unrest and tensions among the residents,^[25] on November 22, 1999, the latter filed a letter-complaint with the COSLAP to seek its assistance in the verification survey of the subject 78,466-sq m property, which they claimed is within Lot 1 of Swo-13-000298 and thus is covered by Proclamation No. 172. They claim that they have been occupying the area for thirty (30) years "in the concept of owners continuously, exclusively and notoriously for several years," and have built their houses of sturdy materials thereon and introduced paved roads, drainage and recreational and religious facilities. Dream Village, thus, asserts that the lot is not among those transferred to the BCDA under R.A. No. 7227, and therefore patent applications by the occupants should be processed by the Land Management Bureau (LMB).

On August 15, 2000, Dream Village formalized its complaint by filing an Amended Petition^[26] in the COSLAP. Among the reliefs it sought were:

- d. DECLARING the subject property as alienable and disposable by virtue of applicable laws;
- e. Declaring the portion of Lot 1 of subdivision Plan SWO-13-000298, situated in the barrio of Western Bicutan, Taguig, Metro Manila, which is presently being occupied by herein petitioner as within the coverage of Proclamation Nos. 2476 and 172 and outside the claim of AFP-RSBS INDUSTRIAL PARK COMPLEX and/or BASES CONVESION DEVELOPMENT AUTHORITY.
- f. ORDERING the Land Management Bureau to process the application of the ASSOCIATION members for the purchase of their respective lots under the provisions of Acts Nos. 274 and 730.^[27] (Underscoring supplied)

Respondent BCDA in its Answer^[28] dated November 23, 2000 questioned the jurisdiction of the COSLAP to hear Dream Village's complaint, while asserting its title to the subject property pursuant to R.A. No. 7227. It argued that under Executive

Order (E.O.) No. 561 which created the COSLAP, its task is merely to coordinate the various government offices and agencies involved in the settlement of land problems or disputes, adding that BCDA does not fall in the enumeration in Section 3 of E.O. No. 561, it being neither a pastureland-lease holder, a timber concessionaire, or a government reservation grantee, but the holder of patrimonial government property which cannot be the subject of a petition for classification, release or subdivision by the occupants of Dream Village.

In its Resolution^[29] dated April 28, 2004, the COSLAP narrated that it called a mediation conference on March 22, 2001, during which the parties agreed to have a relocation/verification survey conducted of the subject lot. On April 4, 2001, the COSLAP wrote to the Department of Environment and Natural Resources (DENR)-Community Environment and Natural Resources Office-NCR requesting the survey, which would also include Swo-00-0001302, covering the adjacent AFP-RSBS Industrial Park established by Proclamation No. 1218 on May 8, 1998 as well as the abandoned Circumferential Road 5 (C-5 Road).^[30]

On April 1, 2004, the COSLAP received the final report of the verification survey and a blueprint copy of the survey plan from Atty. Rizaldy Barcelo, Regional Technical Director for Lands of DENR. Specifically, Item No. 3 of the DENR report states:

3. Lot-1, Swo-000298 is inside Proclamation 172. Dream Village Neighborhood Association, Inc. is outside Lot-1, Swo-13-000298 and inside Lot-10, 11 & Portion of Lot 13, Swo-00-0001302 with an actual area of 78,466 square meters. Likewise, the area actually is outside Swo-00-0001302 of BCDA.^[31] (Emphasis ours and underscoring supplied)

COSLAP Ruling

On the basis of the DENR's verification survey report, the COSLAP resolved that Dream Village lies outside of BCDA, and particularly, outside of Swo-00-0001302, and thus directed the LMB of the DENR to process the applications of Dream Village's members for sales patent, noting that in view of the length of time that they "have been openly, continuously and notoriously occupying the subject property in the concept of an owner, x x x they are qualified to apply for sales patent on their respective occupied lots pursuant to R.A. Nos. 274 and 730 in relation to the provisions of the Public Land Act."^[32]

On the question of its jurisdiction over the complaint, the COSLAP cited the likelihood that the summary eviction by the BCDA of more than 2,000 families in Dream Village could stir up serious social unrest, and maintained that Section 3(2) of E.O. No. 561 authorizes it to "*assume jurisdiction and resolve land problems or disputes which are critical and explosive in nature considering, for instance, the large number of parties involved, the presence or emergence of social tension or unrest, or other similar critical situations requiring immediate action,*" even as Section 3(2)(d) of E.O. No. 561 also allows it to take cognizance of "*petitions for classification, release and/or subdivision of lands of the public domain,*" exactly the ultimate relief sought by Dream Village. Rationalizing that it was created precisely to provide a more effective mechanism for the expeditious settlement of land problems

"in general," the COSLAP invoked as its authority the 1990 case of *Bañaga v. COSLAP*,^[33] where this Court said:

It is true that Executive Order No. 561 provides that the COSLAP may take cognizance of cases which are "critical and explosive in nature considering, for instance, the large number of parties involved, the presence or emergence of social tension or unrest, or other similar critical situations requiring immediate action." However, the use of the word "may" does not mean that the COSLAP's jurisdiction is merely confined to the above mentioned cases. The provisions of the said Executive Order are clear that the COSLAP was created as a means of providing a more effective mechanism for the expeditious settlement of land problems in general, which are frequently the source of conflicts among settlers, landowners and cultural minorities. Besides, the COSLAP merely took over from the abolished PACLAP whose functions, including its jurisdiction, power and authority to act on, decide and resolve land disputes (Sec. 2, P.D. No. 832) were all assumed by it. The said Executive Order No. 561 containing said provision, being enacted only on September 21, 1979, cannot affect the exercise of jurisdiction of the PACLAP Provincial Committee of Koronadal on September 20, 1978. Neither can it affect the decision of the COSLAP which merely affirmed said exercise of jurisdiction.^[34]

In its Motion for Reconsideration^[35] filed on May 20, 2004, the BCDA questioned the validity of the survey results since it was conducted without its representatives present, at the same time denying that it received a notification of the DENR verification survey.^[36] It maintained that there is no basis for the COSLAP's finding that the members of Dream Village were in open, continuous, and adverse possession in the concept of owner, because not only is the property not among those declared alienable and disposable, but it is a titled patrimonial property of the State.^[37]

In the Order^[38] dated June 17, 2004, the COSLAP denied BCDA's Motion for Reconsideration, insisting that it had due notice of the verification survey, while also noting that although the BCDA wanted to postpone the verification survey due to its tight schedule, it actually stalled the survey when it failed to suggest an alternative survey date to ensure its presence.

CA Ruling

On Petition for Review^[39] to the CA, the BCDA argued that the dispute is outside the jurisdiction of the COSLAP because of the land's history of private ownership and because it is registered under an indefeasible Torrens title^[40]; that Proclamation No. 172 covers only Lots 1 and 2 of Swo-13-000298 in Western Bicutan, whereas Dream Village occupies Lots 10, 11 and part of 13 of Swo-00-0001302, which also belongs to the BCDA^[41]; that the COSLAP resolution is based on an erroneous DENR report stating that Dream Village is outside of BCDA, because Lots 10, 11, and portion of Lot 13 of Swo-00-0001302 are within the BCDA^[42]; that the COSLAP was not