

## THIRD DIVISION

**[ G.R. No. 110478[1], October 15, 2007 ]**

**FERMIN MANAPAT, PETITIONER, VS. COURT OF APPEALS AND  
NATIONAL HOUSING AUTHORITY, RESPONDENTS.**

**G.R. NO. 116176**

**DOMINGO LIM, PETITIONER, VS. COURT OF APPEALS AND  
NATIONAL HOUSING AUTHORITY, RESPONDENTS.**

**G.R. NOS. 116491-503**

**NATIONAL HOUSING AUTHORITY, PETITIONER, VS. MAXIMO  
LOBERANES, ELADIO QUIMQUE, CESARIO VEGA, JUANITO  
SANTOS, ALEJANDRO ORACION AND GONZALO MERCADO,  
RESPONDENTS.**

### **D E C I S I O N**

**NACHURA, J.:**

For the resolution of the Court are three consolidated petitions for review on *certiorari* under Rule 45 of the Rules of Court. G.R. No. 110478 assails the May 27, 1993 Decision<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. CV Nos. 10200-10212. G.R. No. 116176 questions the June 28, 1994 Decision<sup>[3]</sup> of the appellate court in CA-G.R. CV No. 27159. G.R. Nos. 116491-503 assails the March 2, 1994 and the July 25, 1994 Resolutions<sup>[4]</sup> of the CA also in CA-G.R. CV Nos. 10200-10212.

The three-decade saga of the parties herein has for its subject parcels of land forming part of what was originally known as the Grace Park Subdivision in Caloocan City and formerly owned by the Roman Catholic Archbishop of Manila (RCAM) and/or the Philippine Realty Corporation (PRC).

#### *The Facts*

Sometime in the 1960's, RCAM allowed a number of individuals to occupy the Grace Park property on condition that they would vacate the premises should the former push through with the plan to construct a school in the area. The plan, however, did not materialize, thus, the occupants offered to purchase the portions they occupied. Later, as they could not afford RCAM's proposed price, the occupants, organizing themselves as exclusive members of the Eulogio Rodriguez, Jr. Tenants Association, Inc., petitioned the Government for the acquisition of the said property, its subdivision into home lots, and the resale of the subdivided lots to them at a low price.<sup>[5]</sup>

Acting on the association's petition, the Government, in 1963, through the Land

Tenure Administration (LTA), later succeeded by the People's Homesite and Housing Corporation (PHHC), negotiated for the acquisition of the property from RCAM/PRC. But because of the high asking price of RCAM and the budgetary constraints of the Government, the latter's effort to purchase and/or to expropriate the property was discontinued. RCAM then decided to effect, on its own, the subdivision of the property and the sale of the individual subdivided lots to the public.<sup>[6]</sup> Petitioners Manapat and Lim and respondents Loberanes, Quimque, Vega, Santos, Oracion and Mercado in these consolidated cases were among those who purchased individual subdivided lots of Grace Park directly from RCAM and/or PRC.<sup>[7]</sup>

A significant turn of events however happened in 1977 when the late President Ferdinand E. Marcos issued Presidential Decree (PD) No. 1072,<sup>[8]</sup> appropriating P1.2M out of the President's Special Operations Funds to cover the additional amount needed for the expropriation of Grace Park. The National Housing Authority (NHA), PHHC's successor, then filed several expropriation proceedings over the already subdivided lots for the purpose of developing Grace Park under the Zonal Improvement Program (ZIP) and subdividing it into small lots for distribution and resale at a low cost to the residents of the area.<sup>[9]</sup> The following cases were filed by the NHA with the Regional Trial Court (RTC) of Caloocan City: C-6225, C-6226, C-6227, C-6228, C-6229, C-6230, C-6231, C-6232, C-6233, C-6234, C-6235, C-6236, C-6237, C-6238, C-6255 and C-6435.<sup>[10]</sup>

After due proceedings, the trial court rendered separate decisions dismissing the expropriation cases, with the exceptions of Cases Nos. C-6233 and C-6236 in which it ordered the condemnation of the involved lots.<sup>[11]</sup> On motion for reconsideration by the NHA in Cases Nos. C-6227, C-6228, C-6230, C-6234, C-6235, C-6238 and C-6255, the trial court later amended its decision, set aside its dismissal of the said cases, ordered the condemnation of the involved lots and fixed the amount of just compensation at P180.00 per square meter. In Cases Nos. C-6225, C-6229, C-6231, C-6232, C-6237 and C-6435, the RTC however denied NHA's motion for reconsideration.<sup>[12]</sup>

NHA eventually appealed to the CA the decisions in Cases Nos. C-6225, C-6229, C-6231, C-6232, C-6237 and C-6435 on the issue of the necessity of the taking, and the amended ruling in Cases Nos. C-6227, C-6228, C-6230, C-6234, C-6235, C-6238 and C-6255 on the issue of just compensation.<sup>[13]</sup> The CA consolidated the appeals and docketed them as **CA-G.R. CV No. 10200-10212**. NHA likewise filed with the CA an appeal from the decision in C-6226, which was docketed as **CA-G.R. CV No. 27159**.

On **May 27, 1993**, the appellate court rendered its Decision<sup>[14]</sup> in **CA-G.R. CV No. 10200-10212** disposing of the appealed cases as follows:

WHEREFORE, premises considered, judgment is hereby rendered:

1) Reversing and setting aside the decisions of dismissal in Cases Nos. C-6225, C-6229, C-6231, C-6232, C-6237 and C-6435; and in lieu thereof an order of condemnation is entered declaring that plaintiff-appellant NHA has a lawful right to take the lots involved for the public use described in the complaints;

2) Affirming the decisions in Case Nos. C-6227, C-6228, C-6234, C-6235, C-6238 and C-6255 insofar as said decision granted the expropriation; declaring that plaintiff-appellant NHA has a lawful right to take the lots involved for the public use stated in the complaint; but annulling and setting aside the just compensation fixed by the trial court at P180.00 per square meter in the said cases;

3) Ordering the remand of all the appealed cases, except for Case No. C-6230, to the trial court for determination of the just compensation to which defendants are entitled in accordance with Rule 67 of the Revised Rules of Court;

4) Finding the compromise agreement in Case No. C-6230, entitled, "NHA v. Aurora Dy dela Costa, et al." in accordance with law, and not contrary to morals or public policy, and rendering judgment in accordance therewith;

5) Ordering Remedios Macato to be joined as defendant with Julia C. Diaz in Case No. C-6227.

No pronouncement as to costs.

SO ORDERED.<sup>[15]</sup>

Rosemarie and Dolores Guanzon, two of the owners of the lots in C-6225, filed before this Court a petition for review on *certiorari* of the aforesaid decision of the appellate court [Their petition was docketed as G.R. Nos. 110462-74]. On September 5, 1994, we dismissed their petition for failure to sufficiently show that the CA had committed any reversible error in the challenged decision.<sup>[16]</sup> An Entry of Judgment was issued on February 2, 1995.<sup>[17]</sup>

Likewise, Julia Diez and Remedios Macato, the owners of the lots in C-6227, assailed before us the afore-quoted CA decision through a petition under Rule 45. On July 28, 1993, however, in G.R. No. 110770, we denied their Motion for Extension of Time to file a petition for review on *certiorari* for their failure to submit an affidavit of service of the motion as required by Circular No. 19-91.<sup>[18]</sup> After denying their motion for reconsideration,<sup>[19]</sup> we issued an Entry of Judgment on August 27, 1993.<sup>[20]</sup>

Petitioner Manapat, the defendant-landowner in C-6229, also elevated the case before us via a petition for review on *certiorari* docketed as **G.R. No. 110478**.<sup>[21]</sup> We initially dismissed this petition for having been filed out of time,<sup>[22]</sup> but we reinstated it on motion for reconsideration.<sup>[23]</sup>

In the meantime, the other defendants-landowners in the expropriation cases—RCAM/PRC in C-6225, Maximo Loberanes and Eladio Quimque in C-6231, Alejandro Oracion, Gonzalo Mercado, Cesario Vega and Juanito Santos in C-6435, and Remedios Macato in C-6227—moved for the reconsideration of the said May 27,

1993 Decision of the CA.<sup>[24]</sup> In the **March 2, 1994 Resolution**,<sup>[25]</sup> the appellate court resolved the motions in this wise:

WHEREFORE, premises considered, the motion for reconsideration of movants Roman Catholic Archbishop of Manila and Philippine Realty Corporation (in Special Civil Action No. 6225) and movant-intervenor Remedios Macato (in Special Civil Action No. 6227) are DENIED.

The motions for reconsideration of movants Gonzalo Mercado, Cesario Vega and Juanito Santos (in Special Civil Action No. 6435) and movants Maximo Loberanes and Eladio Quimque (in Special Civil Action No. 6231) are GRANTED. The motion for reconsideration of movant Alejandro Oracion (in Special Civil Action No. 6435) is partially granted to the extent of Three Hundred (300) square meters of Lot 22, Block 157. The decision of this Court promulgated May 27, 1993 is accordingly MODIFIED. Lot No. 26, Block No. 157 owned by Cesario Vega and Juanito Santos, and Lot No. 4, Block No. 157 owned by Maximo Loberanes and Eladio Quimque are declared exempt from expropriation and the corresponding complaints for expropriation (*sic*) DISMISSED insofar as said lots are concerned. Lot No. 22, Block No. 157 owned by movant Alejandro Oracion is declared exempt from expropriation to the extent of Three Hundred (300) square meters. Only the remaining Ninety (90) square meters shall be the subject of expropriation, the portion to be determined by the lower court in the manner most beneficial to the owner and consistent with the objective of PD 1072.

SO ORDERED.<sup>[26]</sup>

Aggrieved by the said March 2, 1994 CA Resolution specifically with regard to the exemption from expropriation of the lots of Loberanes, Quimque, Mercado, Vega and Santos, and the partial exemption of the lot of Oracion, NHA moved for the reconsideration of the same. In the subsequent **July 25, 1994 Resolution**,<sup>[27]</sup> the appellate court denied NHA's motion, together with the belated motion of Vivencio S. de Guzman, the defendant-landowner in C-6255. The dispositive portion of the July 25, 1994 Resolution reads:

WHEREFORE, the motions for reconsideration of defendant-appellant Vivencio S. de Guzman of the decision promulgated May 27, 1993 and of plaintiff-appellant National Housing Authority of the resolution promulgated March 2, 1994 are DENIED.

SO ORDERED.<sup>[28]</sup>

With the denial of its motion for reconsideration, NHA filed with this Court a Consolidated Petition for Review<sup>[29]</sup> under Rule 45, as aforesaid, assailing the March 2, 1994 and the July 25, 1994 Resolutions of the appellate court. NHA's petition was docketed as **G.R. Nos. 116491-503** against respondents Loberanes and Quimque (in C-6231), Vega, Santos, Oracion and Mercado (in C-6435).

In a separate development, the CA, on June 28, 1994, rendered its Decision<sup>[30]</sup> in **CA-G.R. CV No. 27159**, reversing the RTC's ruling in C-6226. The *fallo* of the decision reads:

WHEREFORE, FOREGOING PREMISES CONSIDERED, the appealed decision dated October 29, 1986 is hereby REVERSED for want of merit. Let the record of this case be remanded to the court of origin for further proceedings.

IT IS SO ORDERED.<sup>[31]</sup>

Discontented with the appellate court's ruling, petitioner Domingo Lim, one of the owners of the lots subject of C-6226, elevated the case to us via a petition for review on *certiorari* docketed as **G.R. No. 116176**.<sup>[32]</sup>

### The Issues

Thus, for resolution by this Court are the following consolidated cases: (1) **G.R. No. 110478** of Manapat; (2) **G.R. Nos. 116491-503** of the NHA; and (3) **G.R. No. 116176** of Lim.

In **G.R. No. 110487**, petitioner Manapat argues in the main that, as he is also a member of the tenant association, the beneficiary of the expropriation, it would be incongruous to take the land away from him only to give it back to him as an intended beneficiary. Accordingly, the CA, in its **May 27, 1993 Decision** in **CA-G.R. CV No. 10200-10212**, should not have allowed the expropriation of his lot. To further support his stance, Manapat raises the following grounds:

#### I

THE COURT OF APPEALS ERRED IN HOLDING THAT THE ISSUANCE MADE IN THE EXERCISE OF LEGISLATIVE POWER, SPECIFYING THE LOTS TO BE EXPROPRIATED AND THE PURPOSE FOR WHICH THEY ARE INTENDED, REMOVES FROM THE JUDICIARY THE DETERMINATION OF THE NECESSITY OF THE TAKING, THERE BEING NO SHOWING OF ABUSE OF DISCRETION.<sup>[33]</sup>

#### II

SUPERVENING EVENT RENDERS IMPROPER THE DISPOSITION BY THE COURT OF APPEALS FOR AN ORDER OF CONDEMNATION DECLARING THAT NHA HAS A LAWFUL RIGHT TO TAKE THE LOT OF FERMIN MANAPAT FOR SUPPOSED PUBLIC USE AND FOR REMAND OF HIS CASE TO THE TRIAL COURT FOR DETERMINATION OF JUST COMPENSATION.<sup>[34]</sup>

#### III

THE COURT OF APPEALS SHOULD HAVE CONSIDERED THAT FERMIN MANAPAT IS NOT ONLY A BONA FIDE OCCUPANT IN THE GRACE PARK SUBDIVISION FOR PURPOSES OF P.D. 1072 BUT LIKEWISE HAS A TRANSFER CERTIFICATE OF TITLE NO. 42370 OF THE REGISTRY OF DEEDS FOR THE CITY OF CALOOCAN OVER THE SAME LOT SOUGHT TO BE EXPROPRIATED WHICH SHOULD NOT BE SUBJECT TO COLLATERAL ATTACK AS DISPOSED BY THE COURT OF APPEALS.<sup>[35]</sup>