Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

House Bill No. 243

Introduced by **RODRIGUEZ D. DADIVAS**

Explanatory Note

The passage of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act, is aimed to provide a continuing program on urban land reform and housing development so that the poor and homeless citizens could avail of decent and affordable housing units.

Ten years after the enactment of the said law, the lack of decent and affordable housing facilities remains to be one of the most pervasive socio-economic problems that our government needs to confront up to now. At present, we have an estimated housing backlog of about 4 million housing units to include people living in parks, sidewalks, esteros, riverbanks, and other blighted areas in Metro Manila.

While our poor countrymen continue to suffer homelessness, some 100,000 government-owned housing units are lying idle and unoccupied. Furthermore, there are thousands of house and lot beneficiaries, whom after years of availing the program do not pay their monthly amortization up to now. Yet, we do not know who is to blame because the present housing and urban development organizational set-up is so complex and its functions, mandates and programs overlap each other.

We have scarce government resources and if we do not act immediately, our housing program will suffer even more in the years to come.

This bill is filed to create a Department of Housing and Urban Development that will serve as the primary national government entity responsible for the management of housing and urban development. It aims to streamline the different housing agencies and corporations thereby integrating all housing and urban development policies, plans and programs within the purview of expediting the delivery of decent, affordable and sustainable housing and urban development programs.

This bill was filed in both Houses of Congress during the 12th Congress but the dearth of time has averted the approval of this bill. Approval of this bill is thus, earnestly sought during this present Congress.

RODRIGUEZ D. DADIVAS
Representative
1st District, Capiz

fn.bill.urbanhousing

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

House Bill No. 243

Introduced by **RODRIGUEZ D. DADIVAS**

AN ACT
DEFINING THE VISION AND POLICIES OF GOVERNMENT IN THE HOUSING AND URBAN DEVELOPMENT SECTOR, CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

CHAPTER I
SHORT TITLE, VISION, POLICY AND PRINCIPLES

SECTION 1. ***Short Title.*** This Act shall be known as the **"Department of Housing and Urban Development Act of 2004."**

SEC. 2. ***Declaration of Vision and Policies.*** The state shall pursue the realization of a modern, humane, economically viable and environmentally sustainable society where the urbanization process is manifest in towns and cities being centers of productive economic activity, led by market forces; where urban areas have affordable housing, sustainable physical and social infrastructure and services facilitated under a democratic and decentralized system of governance; where urban areas provide the opportunities for an improved quality of life and the eradication of poverty; and where there is a high degree of complementarity between urban and rural communities.

SEC. 3. ***Principles of Sector Governance.*** The stipulated vision and policy shall be pursued and realized in accordance with principles that will guide the definition of government functions in the sector; its relationship with the private sector; the vertical compartmentalization of government functions among level of governance, national and local; and, the horizontal compartmentalization of national government functions. These principles that will define and delineate the functions, responsibilities and accountabilities of various national government agencies are as follows:

3.1. *Steering Role of the National Government in the Sector.* The national government shall perform a steering role in the urban development and housing sector.

a) The national government shall strengthen its role in guiding, mobilizing and facilitating in housing and urban development. It shall define the urban development vision and provide a housing and urban development

framework that will guide the investments and activities of the private sector. It shall provide policies on spatial integration, urbanization, urban environmental management, urban redevelopment, urban land management, housing development and other related concerns to facilitate private enterprise and participation. It shall formulate and enforce a minimum set of regulations that will ensure the establishment of a level playing field in the provision of urban infrastructure and services and in the locational choices of investors, and prevent urban decay, congestion, diseconomies of scale and environmental degradation of urban areas.

b) The national government shall provide policies that will mobilize public and private sector resources toward a self-sustaining housing finance system.

3.2. *Continuing Devolution of Functions to Local Governments.* The national government and local governments shall act as partners in housing and urban development. Functions, and the corresponding authority and accountability shall be continuously devolved to local government units, such devolution to be guided by the following:

a) The delineation of functions between the national government and local governments shall be such that inefficiencies are removed, access to public services is improved, and plans, programs and services are responsive to local needs and opportunities. For this purpose, functions that are location specific in their benefits and costs shall, to the extent possible, be devolved to local governments.
b) The determination of the proper level of government to which a function will be devolved shall be determined by the extent of the geographical effects of the benefits and the cost of undertaking such function.
c) Local governments shall implement national government policies in their respective localities. Location specific functions that are to be devolved to local governments are those that relate to the provision of public goods and services. Local governments shall to the extent possible, encourage the private sector to assume primary responsibility for production of public goods, and limit their functions to enforcing standards and regulations or providing incentives.
d) Local governments shall have full autonomy in housing and urban development planning and management consistent with national policies, strategies and regulatory framework.
e) The national government shall be the facilitator, independent monitor and performance evaluator. National government shall formulate national standards and rules to guide local governments in the formulation of localized standards. The promulgation and enforcement of standards and regulations will be undertaken by local governments.

3.3. *Maximum Participation of the Private Sector and Communities in Housing and Urban Development.* The government shall provide policies to maximize private sector participation in housing and urban development and to mobilize public and private sector resources toward a self-sustaining housing and urban development finance system. The national government, through local governments, shall ensure that communities are involved in the formulation of housing and urban development policies and plans that will impact upon them, their livelihood and their living

conditions. Full community participation in housing and urban development policies, programs and projects of government shall be encouraged.

3.4. *Responsibilities the shelter needs of the urban poor communities.* The government shall directly address the concerns and needs of the urban poor communities by formulating the policies, providing and mobilizing resources, and designing as well as implementing programs and intervention that will address urban homelessness and unemployment. Government shall facilitate the establishment of a finance system that enables all sectors of society to have the opportunity to access funds and facilitate the provision of adequate shelter, security of tenure and appropriate infrastructure, where subsidies, if provided, are transparent in nature and target at those in need.

3.5. *Clear Horizontal Compartmentalization and Coordination of Functions among National Government Agencies.* The Department of Housing and Urban Development, created in this Act shall be the primary entity for policy formulation and coordination of all housing and urban development functions. It shall define the delineation of housing and urban development functions, responsibilities of, and relationship among national government agencies to promote efficiency and effectiveness, clarify accountability, and ensure synchronization.

3.6 *Policy and Coordinating Role of the Department of Housing and Urban Development.* The role of the Department is to support the accomplishment of the sector vision and, in particular, encourage more opportunities to improve the lives of the urban poor.

CHAPTER II
DEFINITION OF TERMS

SEC. 4. *Definitions.* As used in this Act, the following terms shall mean:

4.1 Devolution – the transfer of responsibility, authority and accountability for the performance of a defined function from the national government to local governments.

4.2 Urban Land Management – refers to the range of government interventions, including policies, incentives, regulation and titling, land use planning and zoning, land development, public information and conflict resolution that will promote the optimization and most efficient use of urban land, including appropriate land valuation to achieve efficiency in use, promote access, support economic productivity, ensure sustainable development and protect individual rights.

4.3 Land Use Plan – refers to the document, formulated by the local government in consultation with its stakeholders, that defines or provides guidelines on the allocation, utilization, development and management of all lands within a given territory or jurisdiction according to the inherent qualities of the land itself and supportive of economic, demographic, socio-cultural and environmental objectives.

4.4 Shelter – refers to the system and its components which establish the residential quality of life, including housing, utilities, access to social services and other community facilities, security, and other aspects related to an individual's residence.

4.5 Urban Development – pertains to the process of occupation and use of land or space for such activities as residential, industrial, commercial and the like,

necessary to carry out the functions of urban living. It entails the building or rebuilding of more or less permanent structures over land that is often withdrawn or converted from its original use, resulting in the creation of a built environment;

4.6 Urban Development Planning – also called city planning or town planning, is a process that involves the planning of diverse elements that comprise an urbanized area, including its physical infrastructure, environment, housing, transportation, and management of land use and urban growth.

4.7 Urban Renewal or Redevelopment – the process of planned renewal, physical and socio-economic revitalization of outworn, old, derelict areas of towns and cities, as well as preservation of historical assets through redevelopment and rehabilitation.

4.8 Secondary Mortgage Market – refers to the system, which entails purchase, acquisition, discounting, or refinancing of retail loan and mortgage packages or other similar instruments. Once purchased these instruments in turn are traded in the financial market through the issuance and or sale of bonds, promissory notes, debentures, conveyances, and other financial instruments or participation therein, backed by the same pool of mortgages and other assets.

4.9 Zoning Ordinance – refers to the set of rules, regulations and specific procedures and requirements promulgated by the local government that will guide land use and land development and the development of built environment within the jurisdiction of the local government.

4.10 Attachment – refers to the lateral relationship between the department and the attached agency or corporation for purposes of policy and program coordination and as further defined under the Administrative Code.

CHAPTER III
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 5. ***Creation of the Department of Housing and Urban Development.*** There is hereby created the Department of Housing and Urban Development, hereinafter referred to as the Department.

SEC. 6. ***Powers and Functions.*** – The Department shall perform the following functions:

6.1. Formulate the national and urban development and shelter policy and strategy in coordination and consultation with the stakeholders, and ensuring its consistency with the National Development Plan;

6.2. In consultation with the stakeholders, formulate the urban development and shelter planning framework, establish and operate a national urban development and shelter planning system, and develop the necessary planning guidelines, procedures, and urban development standards that will define and delineate the roles of stakeholders, and guide the planning, standards localization, promulgation and enforcement of rules, and service delivery programs of national government and local governments, and facilitate private sector investment;

6.3. Formulate housing finance policies, and recommend and facilitate the development of mechanisms that promote the establishment of a self-sustaining, private sector led housing finance system;

6.4. Formulate and implement a shelter program for urban poor communities that will promote their social and economic welfare, and mobilize resources and encourage stakeholder participation in the provision of urban services for the poor;

6.5. Provide assistance to and capability building of local governments in urban development, urban redevelopment and urban management in support of national policies and standards in the sector, as well as strengthen the role of independent component cities and provincial governments as the primary entities for urban development planning and management at the local level;

6.6. Develop and establish a sector performance monitoring and assessment mechanism, and monitor and independently report on the performance of the sector, national government agencies, and local governments in housing and urban development to enable continuing improvements in sector policy and strategy formulation;

6.7. Delineate areas for priority development as urban renewal areas and prepare programs for their regeneration;

6.8. Support devolution and decentralization where local governments in partnerships with communities, non-government organizations and private groups assume the functions of urban renewal and regeneration;

6.9. Exercise administrative investigatory powers over local governments to ensure their faithful compliance with housing and urban development laws, standards and guidelines, as well as their judicious and fair application of local housing and urban development and housing ordinances, and require the submission by local governments or pertinent documents and information, as may be necessary in the judicious and effective conduct of investigation;

6.10. Coordinate the policies and programs of attached agencies; and

6.11. Perform such other related functions as may be mandated by law.

SEC. 7. *Mandate.* The Department shall be the primary national government entity responsible for the management of housing and urban development. It shall be the main planning and policy-making, program coordination, and performance-monitoring entity for all housing and urban development concerns.

CHAPTER IV
DEPARTMENT PROPER

SEC. 8. *Composition.* The Department Proper shall be composed of the Office of the Secretary, his/her immediate staff, the Offices of the Undersecretary and Assistant Secretaries, and the Offices and Services directly supportive of the Office of the Secretary.

SEC. 9. *The Secretary.* The Secretary shall:

1) Advise the President on the promulgation of rules, regulations and other issuances relative to matters under the jurisdiction of the Department;

2) Establish policies and standards for the efficient and effective operations of the Department in accordance with the programs of the government;

3) Promulgate rules, regulations and other issuances necessary in carrying out the Department's mandate, objectives, policies, plans, programs and projects;

4) Exercise supervision and control over all functions and activities of the Department;

5) Delegate authority for the performance of any administrative or substantive function to subordinate officials of the Department; and

6) Perform such other functions as may be provided by law or assigned by the President.

The Secretary shall also serve as an ex-officio, non-voting member of the National Economic and Development Authority (NEDA) Board, the governing boards of the Social Security System (SSS), the Government Service Insurance System (GSIS) and the Public Estates Authority (PEA). The Secretary shall be a member of the NEDA's Committee on Infrastructure (INFRACOM) and the Social Development Committee (SDC). The Secretary shall be a member of the body authorized to formulate, prescribe, or amend guidelines under Republic Act No. 6957, otherwise known as the Build-Operate-Transfer Law. Further, the Secretary shall be the chairperson of the governing boards of the National Housing Authority (NHA), the Home Development Mutual Fund (HDMF), and the National Home Mortgage Finance Corporation (NHMFC), and the vice-chairperson of the governing board of the Home Guaranty Corporation (HGC).

SEC. 10. ***The Undersecretary and Assistant Secretaries.*** The Secretary shall be assisted by an Undersecretary and such Assistant Secretaries as may be necessary and allowed by law or organization policy of government. The Undersecretary and Assistant Secretaries shall be career officers and shall be appointed by the President upon recommendation of the Secretary. They shall have the powers and functions as provided for in Section 10, Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is hereby authorized to delineate and assign the respective functional areas of responsibility of the undersecretary and assistant secretaries.

SEC. 11. ***Financial Management Service.*** The Financial Management Service shall:

a) Formulate the medium-term and annual expenditure program for the Department and prepare, execute and administer the Department's annual budget;
b) Develop and implement approaches, methodologies and procedures for ensuring efficiency in the allocation and utilization of budgetary and other resources of the Department;
c) Provide accounting, financial management, disbursement and cashiering services to the department and ensure the submission of the appropriate financial and physical performance reports and financial statements;
d) Monitor and make recommendations on the financial and physical performance of the Department's programs, projects and activities; and
e) Perform such other related functions as may be assigned by the Secretary.

SEC. 12. ***Administrative Service.*** The Administrative Service shall provide the Department with efficient and effective services relative to personnel, human resources development, records management and custodial work, supplies and inventory management, procurement, physical assets management, and other related administrative functions as may be assigned by the Secretary.

SEC. 13. ***Legal and Legislative Service.*** The Legal and Legislative Service shall:

a) Provide the Department, its officials and personnel with legal counseling services;

b) Provide assistance to the Secretary in handling cases affecting Department, and in the investigation of administrative cases involving Department personnel;
c) Provide assistance to the Secretary and other Department personnel in the preparation of legislative proposals and the legal issuances affecting the sector or the Department;
d) Review and make recommendations to the Secretary on the legal and legislative implications of plans, programs and activities affecting the sector or the Department; and
e) Perform such other related functions as may be assigned by the Secretary.

SEC. 14. ***Public Relations and Information Service.*** The Public Relation and Information Service shall:

a) Formulate and implement a public information and relations program that will promote public and stakeholder knowledge of and feedback on the policies, regulations, incentives, opportunities and programs and projects in the housing and urban development sector;
b) Prepare, produce and publish materials to support such public information and public relations program;
c) Establish collaborative networks for the dissemination of information and generation of feedback on sectoral concerns; and
d) Perform such other related functions as may be assigned by the Secretary.

SEC. 15. ***Information and Communications Technology Service.*** The Information and Communications Technology Service shall:

a) Formulate and implement an information and communications technology plan for the sector that will ensure the speedy generation, organization, and processing of data and production of analytic information to support planning, policy information, performance monitoring and assessment and the transaction processing systems of the Department;
b) Define the design of the integrated information systems and their functional specifications, and undertake the management of the development, operation and maintenance of applications;
c) Establish collaborative electronic data sharing and communications linkages with other departments, agencies, industry and local government units to ensure the generation of comprehensive, up-to-date and accurate data and promote their wider use in decision making;
d) Undertake continuing user training and assistance to improve computer literacy and promote the sophisticated use of information technology in planning, analysis, transaction processing and decision making;
e) Be responsible for the maintenance and provision of support services to all Department employees in the use of information technology;
f) Conduct continuing studies on best uses of information and communications technology in the housing and urban development sector; and
g) Perform such other functions as may be assigned by the Secretary.

SEC. 16. ***Advisory Committees.*** The Secretary shall have the power to establish adhoc advisory committees, consisting of key representatives from the private sector, urban poor communities and other marginalized groups, academe,

local governments, and national government to provide a forum for private sector participation and dialogue on key housing and urban development issues and policies.

SEC. 17. *Staffing Pattern.* The Secretary shall prepare and implement a staffing pattern for the Department proper. The development of the staffing pattern shall be based on an assessment of the personnel requirements of the entire Department. The remuneration structure of the positions in the staffing pattern shall conform to the Salary Standardization Laws. The Department of Budget and Management shall fund in full the staffing pattern of the Department.

The internal structure and the specific number of divisions that will comprise each of the above bureaus and units under the Department shall be determined and established by the Secretary.

CHAPTER V
PLANS, POLICIES AND MONITORING OFFICE

SEC. 18. *Plans, Policies and Monitoring Office.* The Plans, Policies, and Monitoring Office (PPMO), under the Office of the Secretary, shall be headed by an Assistant Secretary and shall be the central government policy, planning and monitoring think tank for housing and resettlement, and urban planning, development and regeneration. The PMMO shall be responsible for the:

a) Formulation of national housing policy, urban and regional development policies, and resettlement policy;
b) Updating of national urban development and housing framework; preparation of national shelter plan and agency corporate plan;
c) Provision of internal planning services; reviewing policies, plans and programs of key shelter agencies;
d) Conducting research and development in housing technologies and into housing and urban development;
e) Monitoring the effectiveness of government policies and programs in housing delivery and urban development, including those of the attached agencies;
f) Development of performance indicators for housing and urban development, develop the performance indicators and program targets for key shelter agencies and local governments;
g) Monitoring key shelter agencies' performance against targets as well as the accomplishment of national shelter plan and adherence to the urban development and housing framework;
h) Provision of internal evaluation services to HUDCC;
i) Integration of housing and urban development data banks with those of other government agencies; and
j) Monitor the performance of local government programs in housing and urban development.

SEC. 19. *Bureaus under the PPMO.* The Assistant Secretary for Plans, Policies, and Monitoring shall supervise the following:

1) *Plans, Policies and Programs Bureau.* The Plans, Policies and Programs Bureau shall:

a) Formulate, review and update, in consultation with national government agencies, local governments, private sector, communities and other

stakeholders, national plans, objectives and policies for housing and urban development, specifically the National Urban Development and Housing Framework and the National Shelter Program;

b) Establish and implement a national housing and urban development planning system and coordinate the preparation and timing of the sectoral plans of national government agencies with the local development plans of local government units, ensuring their consistency with the National Urban Development and Housing Framework, the National Shelter Program and the Medium-Term Philippine Development Plan;
c) Design programs for the provision of capacity building assistance to local governments in housing and urban development planning, investment programming, formulation of zoning ordinances, plan administration and performance assessment;
d) Formulate policies and design interventions that will directly address the shelter concerns of the urban poor communities, including the formulation of guidelines on eviction and relocation;
e) Standardize planning data and sector information requirements under a uniform data classification and storage and through geographic information systems;
f) Formulate a foreign-assisted projects framework consistent with the Urban Development and Housing Framework, National Shelter Program and Sector Public Investment Program;
g) Formulate an effective monitoring and performance evaluation system and undertake the overall monitoring and performance assessment of foreign-assisted housing and urban development projects of the department, the attached agencies and other national government agencies, local government units, and other entities;
h) Establish project management units to manage and coordinate the implementation of foreign assisted projects of the Department, where necessary;
i) Provide technical assistance to project management and implementation offices and units of foreign-assisted projects of the Department in the facilitation of project implementation in accordance with approved policies and schedules; and
j) Perform such other functions as may be assigned by the Secretary.

2) *Monitoring and Evaluation Bureau.* The Monitoring and Evaluation Bureau shall:

a) Monitor and evaluate the performance of the sector particularly on the consistency of programs, projects and activities of national government agencies, local government units, industry and other stakeholders with the National Urban Development and Housing Framework, National Shelter Strategy, sector public investment programs, and the policies of the department;
b) Develop and operate a sector performance monitoring and evaluation system, and monitor, evaluate independently report on the performance of the sector and that of local governments, industry, national government and other key sector stakeholders;
c) Recommend changes and coordinate action needed to ensure the accomplishment of the objectives of the National Urban Development and

Housing Framework, National Shelter Strategy, sector public investment programs and the policies of the department;

d) Regularly monitor the corporate and operational performances of all the organic bureaus, attached agencies and corporations, and make recommendations thereon; and
e) Perform such other related functions as may be assigned by the Secretary.

3) *Housing Finance Development Bureau*. The Housing Finance Development Bureau shall:

a) Formulate policies to encourage a sustainable market-oriented housing finance system to ensure adequate flow of private funds into the primary and secondary mortgage markets;
b) Develop and implement incentive schemes to encourage greater participation by the private sector, communities and other stakeholders in the provision of housing and housing finance;
c) Design the most appropriate subsidy mechanism to increase transparency and efficiency in the use of public funds, including the creation of a socialized housing fund or other mechanisms to administer up-front grants or amortization support, and design the implementing systems and procedures for the program maximizing the principles of decentralization and devolution;
d) Undertake continuing studies for the improvement of the institutional framework and administrative operations for housing finance;
e) Recommend legislation to improve housing finance laws, policies and mechanisms and develop initiatives for private sector and community participation;
f) Conduct continuing studies on improving housing finance, resource generation and mobilization, and their implementing strategies and mechanisms;
g) Administer homeless assistance advances/grants to LGUs, NGOs and private communities for temporary or emergency housing in response to manmade or natural calamities; and
h) Perform such other functions as may be assigned by the Secretary.

4) *Research and Development Service*. The Housing Finance Development Bureau shall:

a) Formulate and implement a research and development agenda and mobilize public and private sector resources to generate new knowledge; develop and/or adopt new technologies; identify and design new products and services, to support continuing improvement in housing and urban development regulation, production and service delivery;
b) Undertake continuing studies on the research and development requirements of the housing and urban development sector, for the purpose of, but not limited to policy development, planning and standards formulation;
c) Establish collaborative mechanisms with international and local institutions, the academe and research institutions, industry, local governments and national government agencies, and other entities and individuals for knowledge sharing, research resources sharing, technology

transfer, commercialization, and useful exploitation and industry use of research and development;

d) Publish and disseminate research and development information to the public to promote innovation in the various aspects of housing and urban development; and
e) Perform such other related functions as may be assigned by the Secretary.

CHAPTER VI
URBAN DEVELOPMENT AND HOUSING OPERATIONS OFFICE

SEC. 20. ***The Urban Development and Housing Operations Office.*** The Urban Development and Housing Operations Office (UDHOO), under the Office of the Secretary, shall be headed by an Assistant Secretary and shall be responsible for the:

1) Development of the capacity of local governments to plan, implement and monitor housing, land management, urban development and urban redevelopment programs;

2) Development and administration of the national government subsidy program for social housing;

3) Provision of advice and guidance on the development of housing finance market in the Philippines; and

4) Provision of technical and administrative support to, management and implement of foreign assisted projects at the central level.

SEC. 21. ***Bureaus under the UDHOO.*** The Assistant Secretary for Urban Development and Housing Operations shall supervise the following:

1) *Housing and Land Use Regulation Bureau*. The Housing and Land Use Regulation Bureau shall be responsible to:

a) Formulate, review and update national policies and standards, guidelines and regulations relative to land use for implementation and enforcement by local government units;
b) Develop urban development planning and urban development, land use, zoning and urban management standards and guidelines for the formulation of local development plans, land use and zoning ordinances, and for local development administration and urban management by local governments, ensuring the integration of the spatial and socio-economic aspects of development, promoting consultation and consensus, and improving development quality;
c) Formulate national standards and regulation relative to the development of condominium and subdivision projects, which will serve as guide for the enforcement of such regulation by the provincial governments and independent cities;
d) Formulate zoning and other land use control standards and guidelines which shall govern the development and implementation of local land use plans and zoning ordinances of municipalities and component cities; the zoning components of civil works and infrastructure projects of the national, regional and local governments located within the geographical jurisdiction of the province or independent component city; subdivision or estate development projects of the public and private sectors; and urban renewal plans, programs and projects: *Provided*, That these standards and

guidelines shall respect the classification of public lands for forest purposes as certified by the Department of Environment and Natural Resources;

e) Monitor, evaluate, investigate and independently report on the performance of local governments, the private sector, and other stakeholders in the aspects of housing development, land use management, and their regulation;
f) Issue rules and regulations to enforce the land use policies as prescribed by existing laws on land use and such other laws regulating the use of land, including the regulatory aspect of the Urban Land Reform Act and all decrees relating to the value of land and improvements and their rental, in their respective geographical areas of jurisdiction;
g) Develop and install the housing and land use development oversight monitoring system and undertake reserve compliance monitoring function deemed vital by the Secretary;
h) Formulate and implement real estate consumer education and protection programs; and
i) Perform such other related functions as may be assigned by the Secretary.

2) *Urban Land Management and Regeneration Bureau.* The Urban Land Management and Regeneration Bureau shall be responsible to:

a) Formulate urban land management, renewal and regeneration policies, strategies, concepts, and models; mobilize community support and create the governance mechanisms, incentives and disincentives and other modes of intervention to mobilize public and private sector resources;
b) Undertake continuing monitoring and assessment of urban land management policies, programs, interventions and institutional mechanisms and assess the urban land management, renewal and regeneration needs and reform requirements to improve policy and strategy formulation;
c) Coordinate the urban land management, renewal and regeneration activities of the national government to ensure efficient use of public resources; prevent duplication and overlapping, streamline procedures, encourage private sector and community participation and improve services;
d) Undertake studies on urban land management regeneration, and apply best practice and lessons in improving policy, government intervention and practice;
e) Design programs for improving capacities of local governments in urban land management, renewal and regeneration; and
f) Perform such other functions as may be assigned by the Secretary.

CHAPTER VII
OFFICE FOR REGIONAL OPERATIONS

SEC. 22. *The Office for Regional Operations.* The Office for Regional Operations shall exercise supervision and control over the Department's Regional Offices, described in Section 24 hereof. It shall be responsible for the provision of public information, monitoring of LGU performance, development of a regional-

central reporting and workflow processes, provision of government assistance to LGUs, administration of subsidy and other regional operations.

SEC. 23. ***Regional Offices.*** The Department is hereby authorized to establish, operate and maintain a Department-wide regional office in each of the country's administrative regions. Each Regional Office shall be headed by a Regional Director and shall have, within its administrative region, the following functions:

a) Implement the policies and programs of the Department in the concerned region;
b) Implement the local government housing and urban development capacity building programs of the Department in their respective regions;
c) Ensure the consistency of the over-all regional development goals and programs with the National Urban Development and Housing Framework, and the National Shelter Program, and vice-versa; similarly between Department programs and regional plans of other government agencies;
d) Review all local development and land use plans of provinces and independent cities for purposes of ensuring compliance with laws within thirty (30) days from receipt thereof;
e) Undertake the independent monitoring and review of sector performance and the performance of national government, local governments, industry and other stakeholders in the regions, and recommend appropriate action thereon;
f) Monitor, investigate and assess compliance to approved subdivision and condominium plans; and for the purpose, impose fines/ penalties and, on its own motion or upon complaint of any interested party, after the conduct of appropriate investigation, issue notices of violations and Cease and Desist Orders for non-compliance thereof;
g) Coordinate the housing and urban development planning process in the regions to ensure the delivery of various activities and services such as titling, issuance of permits for subdivision plans, the provision of social and livelihood services, and other services related to housing and urban development;
h) Maintain a regional database and information system for the sector in the region;
i) Undertake a public information program to provide the industry, general public and other stakeholders with information on national and local government policies, regulations and programs, as well as to establish a consultative mechanism to serve as a forum for continuing planning and evaluation of settlement programs and projects;
j) Implement, monitor and evaluate policies, rules and regulations governing resettlement, relocation/eviction or demolition due to from government projects which will involve the eviction or demolition of structures of homeless and underprivileged citizens, and recommend appropriate action thereon;
k) Ensure that local government units institute preventive measures against squatting and address other concomitant problems, such as rural to urban migration;
l) Monitor and evaluate the implementation of government's programs and projects which would require housing provision and/or relocation and resettlement activities, and recommend appropriate action thereon;

m) Administer homeless assistance advances/grants to LGUs, NGOs and private communities for temporary and emergency housing, in respose to man-made and natural calamities;
n) Implement innovative, clearly defined, transparent and on-budget housing subsidy mechanisms for the homeless and underprivileged in the regions to enhance accessibility to housing;
o) Registration of incorporation of homeowners associations and condominium corporations; and
p) Perform such other functions as may be assigned by the Secretary.

CHAPTER VIII
ATTACHED AGENCIES

SEC. 24. *Attached Agencies and Corporations.* The following agencies and corporations are hereby attached to the Department for policy and program coordination:

24.1. National Housing Authority (NHA);
24.2. Home Guarantee Corporation (HGC);
24.3. National Home Mortgage Finance Corporation (NHMFC);
24.4. Home Development Mutual Fund (HDMF); and
24.5. Housing and Urban Development Adjudication Commission (HUDAC).

SEC. 25. *National Housing Authority (NHA).* The National Housing Authority shall remain as the sole national government arm for shelter production and shall institute such programs and approaches that will promote housing provision for low-income families. It shall encourage private sector participation in socialized housing production and assist local governments in building capabilities for the implementation of local housing programs and projects.

SEC. 26. *Home Guarantee Corporation (HGC).* The Home Guarantee Corporation shall concentrate on its mandate of providing guarantees to: a) encourage the flow of private funds for mass housing development and homebuyers' financing, and b) support the development and sustainability of the secondary mortgage market for housing. The Corporation shall conduct studies and initiate activities for greater private sector participation in the short-term and for its eventual privatization over the medium term.

SEC. 27. *National Home Mortgage Finance Corporation (NHMFC).* The National Home Mortgage Finance Corporation shall focus on its designated function as the secondary mortgage institution of the country. To achieve this, the Corporation shall implement measures necessary to enhance its organizational capability and financial soundness, including, but not limited to, improvement of collection efficiency, restructuring of management information systems, and upgrading of its technical capability. The Corporation shall conduct studies and initiate activities for greater private sector participation in the short-term and for its eventual privatization over the medium term.

SEC. 28. *Home Development Mutual Fund (HDMF).* The Fund shall continue its function of providing a savings systems for public and private sector employees with housing as its primary investments, provided for in P.D. 1752, as amended by E.O. 35 and Republic Act 7742.

SEC. 29. *Nature of Attachment.* The Secretary shall in concurrent capacity, be the ex-officio chairperson of the governing boards of the attached corporations, namely, the NHA, the HGC, the NHMFC and the HDMF.

CHAPTER IX
HOUSING AND URBAN DEVELOPMENT ADJUDICATION COMMISSION

SEC. 30. *Renaming and Reconstitution of the Housing and Land Use Regulatory Board.* The Housing and Land Use Regulatory Board is hereby renamed and reconstituted as the Housing and Urban Development Adjudication Commission (HUDAC), hereinafter to referred as the Commission.

SEC. 31. *Composition and Qualification of Members.* The Commission shall be composed of a Chairperson and fourteen (14) full-time Members to be appointed by the President, majority of whom shall be members of the Philippine Bar while the others shall have a background or experience in urban development planning, development and implementation of shelter programs for urban poor communities, management, architecture, civil engineering, and other related fields. They must have been engaged in the practice of their respective professions or specialization or employed in an appropriate office for a period of at least five (5) years. In addition, no person who has been convicted of a crime involving moral turpitude shall be appointed as members of the Commission.

The Commission may sit en banc or in five (5) divisions, each composed of three (3) members. Subject to the penultimate sentence of this paragraph, the Commission shall sit en banc only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its divisions and regional offices and formulating policies effecting its administration and operations. The Commission shall exercise its adjudicatory and all other powers, functions, and duties through its divisions. Of the five (5) divisions, the first, second and third divisions shall handle cases coming from the National Capital Region and the parts of Luzon; and the fourth and fifth divisions, cases from the Visayas and Mindanao, respectively: *Provided*, That the Commission sitting en banc may, on temporary or emergency basis, allow cases within the jurisdiction of any division to be heard and decided by any other division whose docket allows the additional workload and such transfer will not expose litigants to unnecessary additional expense; and, *Provided, further*, That the Commission shall designate one (1) division to hear and resolve cases involving eviction and relocation of urban poor communities. The divisions of the Commission shall have exclusive appellate jurisdiction over cases within their respective territorial jurisdictions.

The concurrence of two (2) Commissioners of a division shall be necessary for the pronouncement of judgment or resolution. Whenever the required membership in a division is not complete and the concurrence of two (2) Commissioners to arrive at a judgment or resolution cannot be obtained, the Chairperson shall designate such number of additional Commissioners from the other divisions as may be necessary.

The conclusions of a division on any case submitted to it for decision shall be reached in consultation before the case is assigned to a member for the writing of the decision. It shall be mandatory for the division to meet for purposes for the consultation ordained therein. A certification to this effect signed by the Presiding

Commissioner of the division shall be issued and a copy thereof attached to the record of the case and served upon the parties.

The Chairperson shall be the Presiding Commissioner of the first division and the four (4) other senior members shall be the Presiding Commissioners of the second, third, fourth and fifth divisions, respectively. In the case of the effective absence or incapacity of the Chairperson, the Presiding Commissioner of the Second Division shall be Acting Chairperson.

The Chairperson, aided by the Executive Clerk of the Commission, shall have administrative supervision over the Commission and its regional branches and all its personnel including the Executive Housing and Land Use Arbiters and Housing and Land Use Arbiters.

The Commission, when sitting en banc shall be assisted by the Executive Clerk and, when acting through its Divisions by the Division Clerk, respectively, who shall perform such similar or equivalent functions and duties as are discharged, by the Clerk of Court and Deputy Clerk of Court of the Court of Appeals.

SEC. 32. ***Term and Compensation.*** The Members of the Commission shall be appointed for a term of six (6) years, without prejudice to reappointment, after the said term shall have expired. The Chairperson and Members of the Commission shall receive an annual salary at least equivalent to that of, and be entitled to the same allowances and benefits as, an Undersecretary and Assistant Secretary of the Department, respectively.

The incumbent full-time Commissioners of the present HLURB shall remain in Office unless they opt to avail of the retirement and separation benefits provided in Section 49 of this Act or are sooner removed for cause.

SEC. 33. ***Jurisdiction.*** The Housing and Land Use Arbiters shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

33.1. On Real Estate –

a) Unsound and fraudulent real estate business practices;
b) Claims for refund against project owners, developers, dealers, brokers and salespersons;
c) Specific performance of contractual and statutory obligations filed by buyers or subdivision lots or condominium units against the owner, developer, dealer, broker or salespersons;
d) Squatting on subdivision lots;
e) Eviction and relocation of squatter communities;
f) Disputes involving buyer-financing agreements with any financing institution for condominium/subdivision projects;
g) Disputes involving easements or right of way arising from, related to or in connection with the development of subdivision and housing projects;
h) Disputes between: 1) land owners and developers, and 2) banks and developers, whenever the interest of buyers of subdivision lots, or house and lots, or condominium units are involved;
i) Releases of mortgage titles of subdivision lots and condominium units;
j) Disputes involving easement of waterways, drainage, connections and light and view arising from, related to or in connection with the development of subdivision and housing projects;
k) Disputes involving homeowners associations and condominium corporations, whether intra corporate or inter corporate;

l) Claims of broker/salesmen for unpaid commissions for condominium/subdivision projects;
m) Other related cases arising from contractual or statutory obligations of owners, dealers, brokers or salesmen towards lot or unit buyers; and
n) Regulation of the relationship between residential lessors and lessees that are governed by the Rent Control Law.

33.2. On Housing and Land Use Planning and Regulation – Decisions and actions of: 1) local housing boards or provincial governments, highly urbanized independent component cities and the cities and municipalities of Metro Manila; 2) regional and local physical planning and zoning bodies, including zoning boards of adjustment and appeals on complaints alleging violations of local zoning ordinances not involving land conversion issues; and 3) provincial and component independent city governments with respect to applications relative to applications with opposition, petitions or complaints for revocation of clearances, permits and licenses issued and issuance of Cease and Desist Orders and administrative fines.

33.3. On Shelter Rights – Violations of administrative rules and regulations implement Sections 18 and 28 of Republic Act 7279, otherwise known as the Urban Development and Housing Act.

The Commission shall have exclusive appellate jurisdiction over all cases decided by the Housing and Land Use Arbiters.

SEC. 34. *Power and Authority.* The Commission shall have following powers and authorities:

34.1. To promulgate rules and regulations governing the hearing and disposition of cased filed before it and those pertaining to its internal functions and such other regulations as may be necessary to carry out the purposes for which it is established: *Provided*, That it shall not be bound by technical rules of procedure but shall proceed to hear and decide all cases, disputes or controversies in a most expeditious manner, employing all reasonable means to ascertain the facts of every case n accordance with justice, equity and merit;

34.2. To administer oaths, summon parties to a controversy, issue subpoenas requiring attendance and testimony of witnesses or the production of such books, papers, contracts, records, agreements and other documents of similar nature, as may be material to a just determination of the matter under investigation or hearing conducted in pursuance of this Act;

34.3. To issue writs, orders to execute demolition, or seizure or closure of property in accordance with its decision;

34.4. To issue preliminary or permanent injunctions, whether prohibitory or mandatory, in all cases in which it has jurisdiction, and in which the pertinent provisions of the Rules of Civil Procedure shall apply;

34.5. To hold any person in contempt, directly or indirectly, and impose appropriate penalties thereof;

34.6. To impose administrative fines and/or penalties for violation of this Act, the Urban Development and Housing Act; and other laws implemented by the Commission, including pertinent rules and regulations, orders, decisions and/or rulings: *Provided*, That the maximum fines or penalties to be imposed shall not exceed Five Hundred Thousand Pesos (P500,000.00): *Provided, further*, That the Commission may adjust such rates not more than once every three (3) years;

34.7. To determine and order the payment by the losing party of the cost of the litigation incurred by the winning party and prescribe the manner in which such payments shall be made;

34.8. To deputize any law enforcement agency in the execution of its final orders, rulings or decisions; and

34.9. To exercise such other powers as implied, necessary, or incidental to carrying out the express powers granted to the Commission or to achieve the objectives and purposes of this Act, and other laws implemented by the Commission.

The Chairperson, aided by the Executive Clerk of the Commission, shall have administrative supervision over the Commission and its regional branches and all its personnel including the Housing and Land Use Arbiters.

SEC. 35. *Criminal Prosecution.* Criminal prosecution for violation of housing laws and regulations shall be instituted before regular courts with appropriate jurisdiction.

SEC. 36. *Housing and Land Use Arbiters, Qualifications, Powers and Functions.* The qualifications, powers and functions of the Housing and Land Use Arbiters shall be as indicated hereunder:

36.1. The Secretary, upon recommendation of the Chairperson of the Commission, shall appoint Housing and Land Use Arbiters as the needs of the service may require for each administrative region.

36.2. No person shall be appointed Housing and Land Use Arbiter unless he/she is a member of the Philippine Bar with at least three (3) years experience or exposure in the field of real estate and land use development cases;

36.3. The Housing and Land Use Arbiters shall receive an annual salary at least equivalent to that of, and be entitled to the same allowances and benefits, as an Assistant Regional Director of the Department.

36.4. The Housing and Land Use Arbiters shall have original and exclusive jurisdiction to hear and decide cases enumerated in Section 34 of this Act.

SEC. 37. *Sheriff.* The Commission shall appoint a sheriff or such number of sheriffs in its central and regional branches. No person shall be appointed to the position of sheriff unless he is a second grade civil service eligible and has finished at least two (2) years of college. The sheriff shall be responsible for the service or execution of all writs, summons and orders and other processes of the Commission.

SEC. 38. *Appearances.* A lawyer appearing for a party is presumed to be properly authorized for that purpose. A non-lawyer may appear before the Commission or the Housing and Land Use Arbiter only if: a) he/she represents him/herself as parties to the case; or b) he/she represents his/her organization or members thereof: *Provided,* That he/she shall be made to present written proof that he/she is properly authorized.

SEC. 39. *Appeals.* Decisions, awards of orders of the Housing and Land Use Arbiters shall be final and executory unless appealed to the Commission within ten (10) calendar days from receipt of such decisions, awards or orders. The appeal may be entertained only on any of the following grounds:

a) If there is *prima facie* evidence of abuse of discretion on the part of the Housing and Land Use Arbiter in rendering the questioned decision, award or order;
b) If the decision, order or award was secured through fraud or coercion, including graft and corruption;
c) If made purely on questions of law; and

d) If serious errors in the findings of facts are raised, which would cause grave or irreparable damage or injury to the appellant.

Decisions of the Commission can be appealed only to the Court of Appeals by way of a Petition for Review within fifteen (15) days from notice of judgment, award or order pursuant to Rule 43 of the 1997 Rules of Civil Procedure.

SEC. 40. ***Prohibition against Restraining Order of Injunction.*** No lower court of the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction or permanent injunction against the Commission or its Housing and Land Use Arbiters in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, enforcement or interpretation of this Act and other pertinent laws on housing and just and humane eviction or demolition procedures.

SEC. 41. ***Pending Cases.*** All cases pending in court arising from or in connection with the implementation of pertinent laws on housing and just and humane eviction/demolition procedures shall continue to be heard, tried and decided to their finality.

CHAPTER X
FUNCTIONS OF LOCAL GOVERNMENTS IN RELATION TO HOUSING AND URBAN DEVELOPMENT

SEC. 42. ***Continuing Devolution of Functions to Local Governments.*** The national government, through the Department of Housing and Urban Development, and in consultation with the Department of Interior and Local Government and the local governments, shall formulate and implement a continuing devolution program for housing and urban development sector functions, responsibilities, authority and accountability, in accordance with the principles of sector governance stipulated in this Act.

SEC. 43. ***Devolution of Rule Enforcement Functions to Provinces and Independent Component Cities.*** The following regulatory functions of the Housing and Land Use Regulatory Board as provided for in Executive Order No. 648, dated 07 February 1981 as amended by Executive Order No. 90, dated 17 December 1986, are hereby devolved to provincial governments, independent component city governments and the cities and municipalities of the Metropolitan Manila Area: *Provided*, That all rule promulgation and enforcement functions and activities of local government units, are in accordance with the prescribed regulatory framework and policies as well as guidelines issued by the Department of Housing and Urban Development:

43.1. Review, evaluate and approve or disapproved comprehensive local development plans, local land use plans and zoning ordinances of component cities and municipalities; the zoning components of civil works and infrastructure projects of national, regional and local governments; subdivision, condominium or estate development projects including industrial estates of the public and private sectors; and urban renewal and regeneration plans, programs and projects: *Provided*, That the review and approval of such comprehensive local development plans, local land use plans and zoning ordinances shall respect the classification of public lands for forest purposes as certified by the Department of Environment and Natural Resources: *Provided, further* That the classification of specific alienable and

disposable lands by the Bureau of Lands shall be in accordance with the relevant zoning ordinance of the local government where such lands are located; and the provisions of RA 6657 with regard to the lands distributed, and issued notice of coverage under the Comprehensive Agrarian Reform Program (CARP) as certified by the Department of Agrarian Reform: *Provided, finally*, That nothing in this Section shall be construed as repealing, amending or modifying in any manner, the provisions of RA 6657.,

43.2. Registration of subdivision lots and condominium projects; issuance of license to sell subdivision lots and condominium units in the registered units; approval of performance bond and suspension of license to sell; approval of mortgage on any subdivision lot or condominium unit made by owner or developer; granting of permits for the alteration of plans and extension of period for completion of subdivision or condominium projects, subject to the standards and requirements of the Department;

43.3. Impose fines and penalties as may be allowed under existing laws or Department policies and guidelines;

43.4. Conduct public hearings and consultations on the promulgation of regulation;

43.5. Formulate and adopt rules and procedures for rule enforcement;

43.6 Provide information to the Department necessary in the monitoring of local urban development and housing in accordance with the report content and formatting guidelines of the Department; and

43.7 Perform such other related regulatory functions as may be provided by law.

CHAPTER XI
TRANSITORY PROVISIONS

SEC. 44. *Transfer of Functions.* The following functions are hereby transferred as stipulated hereunder:

44.1. The rule, standards and guidelines formulation of the Housing and Land Use Regulatory Board is hereby transferred to the Department, while its rule promulgation and enforcement functions are hereby transferred to the provincial governments, independent component cities and to the cities and municipalities comprising the Metro Manila Area.

44.2. The registration of incorporation of homeowners associations and condominium corporations are hereby transferred to the regional offices of the Department.

SEC. 45. *Formulation of Regulatory Framework and Devolution Implementation Program.* The Department shall formulate a regulatory framework and design the necessary policies, standards, guidelines and procedures to guide the rule promulgation and enforcement functions of provincial governments, independent component cities and the cities and municipalities of the Metropolitan Manila Area. The Department shall formulate and implement a devolution plan which shall include a multi-year capacity building program, and technical assistance services for the institutional capacity development of provincial governments, independent component cities and the cities and municipalities of Metropolitan Manila Area and the gradual transfer of regulatory functions, and the turnover of the pertinent records and transactions to the pertinent local governments which should be completed within Five (5) years from the effectivity of this Act.

SEC. 46. *Abolition and Conversion of Agencies.* The following dispositive actions shall be implemented within six (6) months from the effectivity of this Act:

46.1. The Housing and Land Use Development Coordinating Council and the Presidential Committee for Mass Housing are hereby abolished. Its functions, assets, equipment, funds, choses in action, records and pertinent transactions, shall be transferred to the Department of Housing and Urban Development. The employees of the abolished Council and Committee may be transferred and absorbed to the Department subject to its staffing pattern and the selection process as prescribed under Republic Act No. 6656 on the Rules on government Reorganization.

46.2. The Housing and Land Use Regulatory Board is hereby converted and renamed as the Housing and Urban Development Adjudication Commission. The assets, equipment, funds, personnel, pertinent records, choses in action, and pertinent transactions of the Board are hereby transferred to the Commission. The Commission shall formulate and complete its internal organic structure and its regional offices, staffing, operating systems and procedures and new budget within six (6) months from the effectivity of this Act.

SEC. 47. *Transfer of Rights, Assets and Liabilities.* The Department shall, by virtue of this Act, be subrogated to all rights and assume all the liabilities of the Housing and Urban Development Coordinating Council, Presidential Commission on Mass Housing and all other agencies of the government whose functions and powers have been transferred to the personnel, as may be necessary, including unexpended portions of their appropriations, except the assets, pertinent funds, records, property, assets, equipment and personnel of the Housing and Land Use Regulatory Board.

SEC. 48. *Transition Period.* All transfer of functions, assets, funds, personnel, equipment, property, transactions and personnel in affected national government agencies and the formulation and implementation of the internal organic structures, staffing patterns, operating systems and revised budgets of the Department and the Commission shall be completed within six (6) months, during which existing personnel shall continue to assume their posts in holdover capacity. The Secretary shall determine which funds, personnel, equipment, property, transactions and personnel will be transferred to, and assumed by, the different agencies under the DHUD in accordance with the functions assumed by each agency.

SEC. 49. *Impact Mitigation Strategy.* The Secretary shall formulate and implement respective impact mitigation strategies of the Department and its attached agencies/corporations that will minimize adverse effects on existing personnel of the creation or modification of organization structures and staffing of the Department and its attached agencies in accordance with the pertinent provision of the Civil Service Code, the Administrative Code, and pertinent budgetary rules and regulations. Employees separated from the service as a result of the abolition or reorganization under the provisions of this Act shall, within one (1) month from their separation, receive a separation pay equivalent to one hundred fifty percent of their monthly basic salary for every year of service in the government: *Provided,* That those who are qualified to retire under existing retirement laws shall be allowed to retire and be entitled to all benefits provided under said retirement laws and shall receive said benefits within ninety (90) days from their separation from service.

SEC. 50. ***Formulation of Implementing Rules and Regulations and Other Implementation Mechanisms.*** The following implementing rules and regulations (IRR) shall be prepared and issued as indicated hereunder:

50.1. The Implementing Rules and Regulations for the operationalization of the Housing and Urban Development Adjudication Commission and the conversion of the Housing and Land Use Regulatory Board into the Commission, within sixty (60) days upon approval of this Act.

50.2. The Implementing Rules and Regulation for the creation of the Department of Housing and Urban Development, the abolition of the Housing and Urban Development Coordinating Council and the transfer and refocusing, as the case may be, of the attached agencies, within sixty (60) days upon approval of this Act.

50.3. The promulgation of the rules and regulation governing the hearing and disposition of cases and the other adjudication functions of the Commission, within six (6) months after the constitution of the Commission.

50.4. The Urban Development Planning System, and the corresponding implementing guidelines, to be completed and operational within six (6) months upon approval of this Act and the updated Housing and Urban Development Framework and Plan completed within one (1) year upon approval of this Act.

CHAPTER XII
IMPLEMENTATION AUTHORITY AND FUNDING

SEC. 51. ***Implementing Authority.*** The Secretary of the Department and the Chairperson of the Commission are hereby authorized to undertake the implementation of the provisions of this Act and implement the necessary organization changes within the specified six (6) month transition period.

SEC. 52. ***Authority of Attached Agencies to Reorganize.*** The boards of attached corporations and the Chairperson and Commissioners of the Housing and Urban Development Adjudication Commission are hereby authorized to make the necessary changes and improvements in their respective internal formal structures, operating systems, staffing and budget configuration in order to implement the newly mandated or refocused mandates and functions stipulated in this Act.

SEC. 53 ***Protection of Security of Tenure by Affected Personnel.*** The existing authority granted pursuant to the preceding two Sections shall be governed by the provisions of RA 6657 and relevant Civil Service rules and regulations in order to protect the security of tenure of personnel who shall be affected by the reorganization.

SEC. 54. ***Funding.*** The amount in excess of the unreleased balance of the budgets of the Department and the Commission, which is needed for the initial implementation of this Act, as may be determined by the Secretary in the case of the Department of Housing and Urban Development and the Chairperson in the case of the Housing and Urban Development Adjudication Commission, shall be released by the Department of Budget and Management within (30) days upon submission by the Department and the Commission of their respective budget estimates.

CHAPTER XIII
MISCELLANEOUS PROVISIONS

SEC. 55. ***Mandatory Review of the Implementation of this Act.*** The Department shall conduct and submit a report to Congress a review of the implementation of this Act, at the end of the second year after the effectivity of this Act for implementation at the national government level, and at the end of the fifth year with respect to the devolution of functions to local governments.

SEC. 56. ***Repealing Clause.*** All laws, ordinances, rules, regulations, and other issuances of parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 57. ***Separability Clause.*** Any portion or provision of this Act that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SEC. 58. ***Effectivity.*** This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,