Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

House Bill No. 555

Introduced by Rep. Robero C. Cajes

EXPLANATORY NOTE

Shelter is a basic need and fundamental right of every Filipino. As such, the State is duty-bound to implement a housing program that is affordable, adequate, and decent.

Despite the presence of government institutions that ensure the financing of housing units, there is still a pressing need to rationalize the housing sector to be able to reach out the broadest number of people, especially the more needy and marginalized ones.

The bill will usher the creation of the Department of Housing and Urban Development which will formulate and implement a comprehensive national urban development strategy and a national shelter strategy. It will coordinate with government and private agencies in delivering urban infrastructures, services and housing.

The department will essentially initiate a rational, well balanced, orderly, and efficient redevelopment of existing urban communities and development of new towns in rural and non-farm areas which indicate potentials for accelerated growth to ensure dwellers of decent and affordable housing, jobs, and livelihood opportunities.

This measures is congruent with Pres. Gloria Macapagal-Arroyo's expressed policy during her first State of the Nation Address for Congress to enact law that would ensure shelter especially for the poor.

Hence, approval of this bill is earnestly requested.

ROBERTO C. CAJES

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Introduced by **Rep. Roberto C. Cajes**

AN ACT
CREATING THE OMNIBUS HOUSING AND URBAN DEVELOPMENT

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

CHAPTER I
GENERAL PROVISIONS

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

SEC. 2. ***Declaration of Policy***. - It is hereby declared the policy of the State to:

(a) Undertake a comprehensive and continuing program of housing and urban development which will make available at affordable cost, decent housing and basic services to the Filipino people, especially those who are underprivileged and homeless;

(b) Adopt workable policies that will guarantee the rationalization and optimum utilization of land and resources in order to meet the spatial and physical requirements of housing and urban development and create a more balanced urban-rural interdependence;

(c) Develop a sustainable and viable housing finance system that shall tap alternative, including non-traditional sources of funds, for the government's housing program;

(d) Rationalize and strengthen the urban development and shelter delivery system of the government by enhancing local autonomy and decentralization and

provide local government units more power, authority, responsibility, and resources; and

(e) Encourage more effective peoples' participation by institutionalizing their involvement at all levels of the urban planning and development process.

SEC. 3. *Definition of Terms.* - For purposes of this Act, the terms or words and phrases used shall mean or be understood as follows:

(a) *"Abot-Kaya Pabahay Fund"* – refers to the fund established under RA No. 6846, as amended by RA No. 7835. The Fund shall be used exclusively to enhance the affordability of low-cost housing by low-income families through its four (4) components, namely: amortization support, developmental financing, cashflow guaranty, interest subsidy and liquidity support;

(b) *CISFA* – refers to R.A. No. 7835, otherwise known as the Comprehensive and Integrated Shelter Financing Act of 1994";

(c) "*Community Mortgage Program*" - refers to the mortgage financing program of the National Home Mortgage Finance Corporation (NHMFC) which assists legally-organized associations of underprivileged and homeless citizens to purchase and develop a tract of land under the concept of community ownership;

(d) "*Economic and socialized housing*" – as defined in Batas Pambansa Blg. 220, refers to housing units which are within the affordability level of the average and low-income earners which is thirty (30%) of the gross family income as determined by the National Economic and Development Authority from time to time. It shall also refer to the government-initiated sites and services development and construction of economic and socialized housing projects in depressed areas.

(e) "*Formal sector*" - refers to members of the Government Service Insurance System (GSIS), Home Development Mutual Fund (HDMF), and the Social Security System (SSS);

(f) "*Homeless and underprivileged*" - refers to the beneficiaries of R.A. No. 7279, otherwise known as the Urban Development and Housing Act, and to individuals or families whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority (NEDA), who do not own housing facilities, who live in makeshift dwelling units, and do not enjoy security of tenure;

(g) "*Informal sector*" - refers to non-members of the GSIS, HDMF, and the SSS;

(h) "*New town*" – refers to any large-scale planned development which includes housing, work places, and related facilities within a more or less self contained environment.

(i) "*Secondary mortgage market*" - refers to the system which entails purchase, acquisition, discounting or refinancing of loan and mortgage packages or participations therein. These instruments, in turn, are traded in the financial market through issuance and/or sale of bonds, promissory notes, debentures, conveyances and other financial instruments or participation therein, backed by the same pool or mortgages, securitizations, and other assets;

(j) *UDHA* – refers to R.A. No. 7279, otherwise known as Urban Development and Housing Act of 1992;

(k) "*Urban development*" – refers 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 city life. It entails 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 the built environment;

(l) "*Urban planning*" – refers to a process, also called city planning or town planning, that involves planning for diverse elements that comprise an urbanized area, including its physical infrastructure, environment, housing and transportation, and management of land use and urban growth; and

(m) "*Urban renewal*" – refers to the idea of consciously renewing the outworn areas of towns and cities, through redevelopment and rehabilitation.

SEC. 4. *Statement of Objectives.* – Toward this end, the State shall:

(a) Formulate and oversee the implementation of a comprehensive housing and urban development policy as an integral part of national development plans to regulate and direct urban growth and expansion towards a dispersed urban net and to achieve a more balanced urban-rural interdependence;

(b) Undertake a continuing comprehensive, affordable, and sustainable housing program;

(c) Create a viable fiscal environment to ensure the participation of the private sector and establish a sustainable housing finance system;

(d) Improve coordination of national government housing and urban development policies and programs and extend adequate technical and material assistance to local government units;

(e) Encourage participation of all stakeholders in housing and urban development, such as local government units (LGUs), non-government organizations (NGOs), peoples' organizations (POs) and the private sector;

(f) Rationalize the structure, powers, and functions of the different housing and urban development agencies and integrate all housing and urban development policies, plans, programs and projects of various government corporations and agencies to expedite the delivery of decent, affordable, and sustainable housing and urban development programs and projects; and

(g) Promote the application of technologies that reduce costs and improve the quality of habitability of housing.

CHAPTER II

THE DEPARTMENT PROPER

SEC. 5. ***Creation of the Department of Housing and Urban Development.*** - To carry out the above-declared policy, there is hereby created a Department of Housing and Urban Development, hereinafter referred to as the Department.

The Department shall be the primary agency of Government that will prepare, integrate, coordinate, and supervise, plans, programs, projects, and activities of the Government relative to urban planning, development, and renewal, including land use and zoning, housing provision, regulation and finance, and marginal settlement assistance and services.

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

(a) Formulate, implement, and update, consistent with approved national economic and land use plans, a comprehensive National Urban Development and Housing Framework. This Framework will specify the policies, plans, programs, strategies and mechanisms in order to promote a sustainable, ecologically-sound, and well-governed housing and urban development;

(b) Provide for the development of (1) a sustainable market-oriented housing finance system, which promotes the adequate flow of private funds into the primary and secondary mortgage markets, and (2) a complementary system of

well-targeted and transparent housing subsidy mechanisms for the less privileged and homeless;

(c) Ensure the provision of adequate housing stock to meet the needs of all income groups, especially the underprivileged and homeless in urban centers and in resettlement and rural areas;

(d) Pursue an urban renewal of blighted and slum areas, the resettlement and relocation of informal dwellers, and the containment of squatting, pursuant to law, in a just and humane manner;

(e) Supervise all corporations and agencies attached to the Department: to (1) ensure adherence, consistency and integration with Department policies, plans and programs; and (2) monitor the performance and soundness of their management and financial policies in accordance with the government's housing and urban development framework;

(f) Promulgate, amend, or repeal such rules and regulations as may be necessary to complement the intent and purposes of this Act, which, upon approval by the President and after due publication thereof, shall have the force of law;

(g) Effect and oversee a single regulatory system that shall govern all activities relative to the planning, production, marketing, and maintenance of residential and commercial development projects;

(h) Adopt rules and regulations for the transaction of the business of the Department;

(i) Adopt and promulgate development standards and guidelines that shall govern the preparation and implementation of land use plans and zoning ordinances of LGUs and property development of the public and private sectors;

(j) Provide technical assistance and information to assist LGUs in developing solutions to problems on housing, community, and urban development and/or renewal;

(k) Coordinate the development activities of LGUs toward a more effective housing delivery, optimal land use, and the balanced growth of urban and urbanizing communities in relation to demographic factors, productive capacity, and natural resource endowment;

(l) Exercise initiative and, under the directions of the President, assume a lead role in coordinating the activities of other agencies and instrumentalities that impact on urban development;

(m) Call on other agencies or instrumentalities of the government and private entities for cooperation and assistance in the performance of its functions;

(n) Monitor compliance and provide policy directions, standards and technical assistance to LGUs in the preparation of their respective land use plans and zoning ordinances, subject to the over-all land use plan of the regional development councils and the NEDA;

(o) Undertake a rational, balanced, orderly, and efficient development of new settlements and the redevelopment of existing urban communities that indicate potentials for accelerated growth. Such activities shall assure the dwellers thereon of decent and affordable housing, job and livelihood opportunities, efficient mass transit, public safety, health care, educational opportunities, and clean environment;

(p) Conduct continuing research and development of innovative and indigenous technologies that will enhance housing affordability;

(q) Ensure consumers' education and protection and establish and administer mechanisms such as the development, maintenance, updating, and upgrading of an industry information system and data bank which shall include a masterlist of beneficiaries;

(r) Establish a mechanism to identify, update, validate, and determine full eligibility of target beneficiaries for socialized housing programs and projects in order to maximize government resources and avoid double availment of such programs and projects;

(s) Recommend new legislation and amendments to existing laws as may be necessary for the attainment of the government's objectives in housing and urban development;

(t) Enter into contracts, either domestic or foreign, under such terms and conditions as it may deem proper and reasonable. subject to the provisions of law;

(u) Receive, take, and hold by bequest, devices, gift, purchase or lease, either absolutely or in trust for any of its purposes from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitations as are provided in existing laws and regulations; and convey such assets, grants or property, invest and reinvest the same under this provision,

and deal with and expand its assets and income in such manner as will best promote its objectives;

(v) Discharge all responsibilities of government that may arise from agreements and other commitments on housing, land use and urban development to which it is a signatory, including the determination of forms of assistance for housing, land use and urban development to be extended through multilateral or bilateral assistance program;

(w) Determine, fix, and collect reasonable amounts to be charged as administrative fees, fines and penalties; as well as issue *motu propio,* after the conduct of appropriate investigation, notices of violation, cease and desist and/or closure and demolition orders, ejectment and summary abatement orders, necessary for the effective implementation of all laws, rules and regulations, and other legal issuances enforced by the Department;

(x) Determine, fix, and collect reasonable amounts to be charged as administrative fees, fines, and penalties on any natural or juridical person who practice real estate services without any license, and

(y) Perform such other acts not inconsistent with this Act as are necessary to achieve its purposes.

SEC. 7. ***Composition.*** - The Department shall be headed by a Secretary. The Department proper shall be composed of the Office of the Secretary, the Offices of the Undersecretaries and Assistant Secretaries, the bureaus, services, and other offices of the Department.

SEC. 8. ***The Secretary.*** - The Secretary shall be appointed by the President, subject to the confirmation by the Commission on Appointments.

The Secretary in addition to the regular powers and functions provided under Section 7, Chapter 2, Book IV of the Administrative Code of 1987, shall have the following powers and functions:

(a) Provide executive direction, control, and supervision over the entire operations of the Department and its attached agencies;

(b) Establish policies and standards for the effective, efficient, and economical operation of the Department, in accordance with the programs of Government;

(c) Rationalize delivery systems as is necessary for the effective attainment of the objectives of the Department, including the creation of regional and field

offices, other service units and divisions, and the delegation of authority to regional and field offices for decentralized programs, subject to the provisions of existing laws;

(d) Designate and appoint all officers and employees of the Department except those whose appointments are vested in the President, subject to existing civil service rules and regulations,;

(e) Call on other government and private entities for cooperation and assistance in the performance and discharge of the Department's functions;

(f) Coordinate with LGUs, other agencies, and public and private interest groups, including NGOs and POs on Department policies and initiatives;

(g) Advise the President on the promulgation of executive and administrative orders, and of regulatory and legislative proposals on matters pertaining to housing and urban development;

(h) Restructure the internal organization of the Department, subject to the approval of the President;

(i) Recommend to the President on the restructuring of the structures of its attached agencies and corporations; and

(j) Formulate such rules and regulations and exercise such other powers as may be necessary to implement the objectives of this Act.

SEC. 9. ***The Undersecretaries***. - The Secretary shall be assisted by two (2) Undersecretaries, who shall be appointed by the President upon the recommendation of the Secretary: *Provided, That*, one of the Undersecretaries shall be a career officer coming from the ranks of the existing government housing agencies and offices. They shall have the powers and functions as provided for in Section 10, Chapter 2, Book IV of the Administrative Code of 1987, and other powers and functions that will be assigned by the Secretary.

The offices of the Undersecretaries shall consist of the Undersecretaries and their respective immediate staff.

SEC. 10. ***Assistant Secretaries***. - The Secretary shall be assisted by a maximum of three (3) Assistant Secretaries who shall be career officers appointed by the President upon the recommendation of the Secretary .

The respective assignments of the Assistant Secretaries shall be determined by the Secretary.

SEC. 11. ***Qualifications***. - No person shall be appointed Secretary, Undersecretary, or Assistant Secretary of the Department unless he is a citizen and a resident of the Philippines, of good moral character, and of proven competence and integrity.

SEC. 12. ***Bureaus.*** The Department shall have the following Bureaus: (a) Financial and Institutional Development Bureau, (b) Urban Development Bureau, (c) Housing Technology Bureau, and (d) Realty Regulation and Consumer Protection Bureau.

The Bureaus shall perform the following functions:

(a) Financial And Institutional Development Bureau

(1) Provide fiscal and financial incentives to LGUs, the private sector, NGOs, and POs to encourage their full participation in ensuring adequate housing stock especially for low-income families;

(2) Institute a mechanism to ensure a consistently high collection efficiency and the viability of the national shelter program;

(3) Assist in and facilitate the sourcing of adequate housing and urban development funds from foreign, local, and other alternative sources;

(4) Facilitate the development of a sustainable market-oriented housing finance system which promotes the adequate flow of private funds into the primary and secondary mortgage markets;

(5) Administer programs to LGUs, community associations, cooperatives, and other private groups to improve their capability to engage in all aspects of urban development/renewal programs, housing, and resettlement, including the restoration of neighborhoods, the investment in or improvement of public facilities, and the rehabilitation of housing;

(6) Extend technical assistance to the local housing board or any special body on housing within an LGU and housing cooperatives in the preparation of local shelter plans and projects;

(7) Accredit, train, and extend assistance to homeowners' associations or cooperatives of targeted beneficiaries for purposes related to housing, and evaluate and recommend the same for possible availment of a housing program or project;

(8) Monitor the implementation of projects and programs under its jurisdiction; and

(9) Perform such other related functions as may be assigned to it by the Secretary.

(b) Urban Development Bureau

(1) Promulgate appropriate rules and regulations for the proper implementation and enforcement of predetermined national standards and guidelines on land use, urban planning, and development;

(2) Install new and appropriate mechanisms for the extension of technical and other forms of assistance to LGUs to ensure that their land use plans and zoning ordinances are consistent with prescribed standards and guidelines and national policies and other issuances of the Department and the NEDA;

(3) Coordinate with the Public Estates Authority (PEA) in the development of new towns with complete basic facilities and services in urbanizable and urbanizing areas, including the identified growth areas such as but not limited to CALABARZON, East Asian Growth Area, and the North Quadrangle, in order to decongest existing urban communities;

(4) Assist the LGU in undertaking a rational, well-balanced, orderly, and efficient redevelopment/renewal of existing urban communities;

(5) Assist in the formulation and updating of national objectives for housing and urban development, specifically the National Urban Development Framework;

(6) Monitor the implementation of projects and programs under its jurisdiction; and

(7) Perform such other related functions as may be assigned to it by the Secretary.

(c) Housing Technology Bureau

(1) Study and promulgate appropriate standards on all types of housing construction;

(2) Review and update national standards and technical requirements for economic and socialized housing projects;

(3) Accredit, promote, and encourage the development and utilization of innovative housing technology that can reduce the cost of housing and within the reach of the poor without sacrificing safety requirements, and provide for the prototyping/piloting of the same;

(4) Provide awards, incentives, and citations to innovative, and ingenious discoveries and inventions in coordination with the Department of Science and Technology (DOST), and the Board of Investments (BOI);

(5) Publicize findings and research on new technologies;

(6) Participate in local and international expositions, competitions, and various research and development activities on housing technology;

(7) Monitor, evaluate, and validate the programs and projects under its jurisdiction; and

(8) Perform such other related functions as may be assigned to it by the Secretary.

(d) Realty Regulation And Consumer Protection Bureau

(1) Oversee the enforcement of the approved rules, regulations, and standards on all types of housing developments such as subdivision, condominium, townhouse, single-detached or multi-unit housing, industrial subdivisions, industrial condominiums, farm subdivisions, resort and leisure estates, memorial parks, office / commercial condominiums, condominium-hotels (condotels), and commercial centers;

(2) Oversee the issuance by the regional offices of Certificates of Registration and Licenses to Sell for all real estate development projects, and the collection of the necessary penalties, fines, and fees, and monitor, assess, and investigate compliance with approved subdivision and condominium plans;

(3) Continually streamline the implementation and enforcement of regulations, including the regulatory aspect of the urban land reform program, the Subdivision and Condominium Buyer's Protective Decree, land value and building rental regulations, Rent Control Law, and other related laws;

(4) Undertake the acceptance and initial processing of complaints of housing related cases mentioned in Sec. 22 of this Act and the referral of the same to the housing arbiters;

(5) Accredit duly-licensed brokers, through their organizations, to source lands for project development and to market certain housing inventories or to solicit qualified beneficiaries;

(6) Accredit developers to undertake the development of certain urban lands;

(7) Register, issue certificates of incorporation to, and regulate homeowners' associations and condominium corporations organized pursuant to PD No. 957, R. A. No. 4726, PD No. 902-A and other related laws;

(8) License real estate brokers, real estate appraisers, and real estate consultants,

(9) Develop and implement real estate consumer education and protection programs;

(10) Promote public trust and consumer education through the implementation of a strategic communications plan that will offer timely dissemination of accurate and updated information on the department's policies, plans, programs, and projects;

(11) Monitor the implementation of projects and programs under its jurisdiction; and

(12) Perform such other related functions as may be assigned to it by the Secretary.

SEC. 13. ***Services.***- The Department shall have the following Services: (a) Planning and Management Service (b) Administrative and Financial Service, and (c) Legal Service.

The services shall perform the following functions:

(a) Planning and Management Service

(1) Formulate, update, and ensure the implementation of an integrated national housing and urban development framework that will provide policy directives, guidelines, strategies, and support mechanisms for active multi-sectoral participation;

(2) Conduct continuing comprehensive studies and research on housing and urban development necessary for policy and program review and formulation;

(3) Develop and provide legal, regulatory, and supervisory frameworks that promote the development of a sustainable market-oriented housing finance system to ensure the adequate flow of private funds into the primary and secondary mortgage markets; and

(4) Develop clearly-defined, transparent, and well-targeted housing subsidy mechanisms to enhance access by low-income housing beneficiaries.

(5) Establish and maintain a management information system and sub-systems for monitoring and evaluating Department-wide programs and projects, including those that are executed by operating bureaus and offices;

(6) Manage and maintain a housing and urban development data bank to include a shelter indicator system, beneficiary profile, and other national database on shelter and urban development;

(7) Formulate policies, plans, and procedures for data control and systems management;

(8) Act as the central repository of existing and future computer files;

(9) Maintain and operate the Department's library; and

(10) Establish and maintain a viable information network with other government agencies and instrumentalities.

(b) Administrative and Financial Service

(1) Provide the department with economical, efficient, and effective services relating to personnel, communication, procurement, supplies, equipment, transportation services, collections, disbursement, security, and property management; and

(2) Conduct in-house training.

(3) Provide disbursement, budgeting, accounting, comptrollership, and internal audit service to the Department.

(c) Legal Service

(1) Conduct research on such matters brought before the Department's attention by interested parties, and offices seeking legal advise, opinion, and assistance;

(2) Recommend the issuance of opinions and the adoption of policies, rules, and regulations based on the foregoing;

(3) Draft, recommend, and review proposed legislative measures;

(4) Prepare and maintain an index, compilation, annotation and digest of laws, rules, regulations, commission and court decisions relevant to the Department's mandates;

(5) Review proposed contracts and/or agreements of the Department to ensure their consistency with existing laws, rules and regulations;

(6) As Special Counsels duly-deputized by the Office of the Solicitor General (OSG), represent the Department in court for the purpose of defending the official acts of its officers and employees that were regularly and diligently performed in the course of the normal discharge of their functions;

(7) Prepare pleadings and other legal documents and submit progress reports on the cases handled by them;

(8) Attend and participate in congressional hearings and inter-agency meetings relative to the formulation of legislative measures, proposed executive issuances, rules and regulations and/or Memoranda of Agreement with other offices and agencies or the private sector; and

(9) Provide/extend legal advise assistance to other offices of the Department.

SEC. 14. ***Regional and Field Offices***. - Consistent with the requirements of economy and efficiency, there shall be established a Regional Office, which shall be headed by a Regional Director, in every administrative region and in as many field offices as are necessary: *Provided, That* they are established in accordance with the regional pattern as prescribed by existing laws.

SEC. 15. ***Functions of the Regional Directors and Regional Offices.*** - While program bureaus exercise technical supervision functions over regional counterparts, the Regional Director shall be the responsible line official for all Department programs in the administrative region. The Regional Director shall be appointed by the President and shall report to the Secretary.

The Regional Office shall perform the following functions:

(a) Ensure that Department program-goals are met and that programs are implemented in accordance with the duly-adopted policies, standards and guidelines;

(b) Ensure the consistency between the overall regional development goals and programs and the National Urban Development Strategy and between Department programs and regional plans of other government agencies;

(c) Directly manage and implement Department programs in the immediate geographic area;

(d) Direct and evaluate the performance of field offices in the region;

(e) Monitor, investigate, and assess compliance with approved subdivision and condominium plans; and for the purpose, impose fines and/or 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;

(f) Coordinate with the LGUs with regard to their local urban development, land use and shelter plans, and provide the necessary technical assistance on devolved powers related to housing and urban planning as mandated by the Local Government Code and other related laws;

(g) Administer the registration of homeowners' associations and condominium corporations;

(h) Undertake the issuance of Certificates of Registration and Licenses to Sell for condominium and subdivision projects, and collect fees for the purpose;

(i) Advise and coordinate the plans and programs of the Regional and Field offices of the attached agencies and corporations; and

(j) Perform such other functions as may be provided for by law and by the Secretary.

SEC. 16. ***Functions Of Field Directors And Offices***. - A Field Director shall head a Field Office and shall be accountable to the Regional Director. The Field Officer shall directly administer Department programs in his/her jurisdictional area and shall ensure their proper implementation.

SEC. 17. ***Relationship among the Regional and Field Offices of the Department, its attached agencies and corporations, and the LGUs***. - The relationship among the Regional and Field Offices of the Department, its attached agencies and corporations, and the LGUs, shall be purely coordinative.

CHAPTER III

ATTACHED AGENCIES AND CORPORATIONS

SEC. 18. ***Attached Corporations and Agencies and their Functions***.- Any provision of law or their respective charters to the contrary notwithstanding, the following corporations and agencies are hereby attached to the Department for administrative control, supervision, and policy and program coordination. They shall continue to operate and function in accordance with their respective charters, laws, or orders creating them insofar as they are not inconsistent with this Act.

(a) *Home Guaranty Corporation* (HGC);

(b) National Housing Authority (NHA), hereby renamed the *National Housing Corporation* (NHC);

(c) *National Home Mortgage Finance Corporation* (NHMFC);

(d) *Home Development Mutual Fund* (HDMF)

(e) Housing and Land Use Regulatory Board (HLURB), hereby renamed the *Real Estate Adjudication Commission* (REAC);

Any provision of law or the respective charters of the above-mentioned corporations and agencies to the contrary notwithstanding, the Secretary shall, in a concurrent capacity, be the *ex-officio* Chairman of the respective boards of HGC, NHC, NHFMC, and HDMF.

SEC. 19. ***Reconstitution of the Governing Bodies of Attached Corporations and Agencies***. The governing bodies of the corporations and agency attached to the

Department are hereby reconstituted as follows, any provision of law or their respective charters to the contrary notwithstanding:

(a) **Home Guaranty Corporation** (HGC). The Board of Directors of the HGC shall be composed of the Secretary as *ex officio* Chairman, the Secretary of Finance as Vice-Chairman, and the following as members: the President of the HGC, the Director-General of the NEDA, and three (3) others to be appointed by the President of the Philippines, who shall serve for a term of five (5) years: *Provided, That* the person appointed shall be of good moral character, of unquestionable integrity, of known probity and patriotism, and with expertise and experience of at least ten (10) years in business, finance, and in their professions: *Provided, Further, That* in the event of a vacancy, the successor appointed to fill the said vacancy shall serve only the unexpired portion of the term of the member he succeeds.

(b) ***National Housing Corporation*** (NHC). The Board of Directors of the NHC shall be composed of the Secretary as Chairman, the General Manager of the Corporation as Vice-Chairman, and the following as members: the Chief Executive Officer of the NHMFC and two (2) others to be appointed by the President of the Philippines, one of whom shall represent the real estate and housing industry and the other shall represent of NGOs or POs.

(c) ***National Home Mortgage Finance Corporation (NHMFC)***. The Board of Directors of the NHMFC shall be composed of the Secretary as Chairman, the Chief Executive Officer of the NHFMC as Vice-Chairman, and the following as members: the Administrator of the SSS, the General Manager of the GSIS, the Chief Executive Officer of the HDMF, and two (2) others to be appointed by the President of the Philippines, one of whom shall represent the real estate and housing industry and the other shall represent of NGOs or POs.

(d) ***Home Development Mutual Fund*** (HDMF). The Board of Trustees of the HDMF shall be composed of the Secretary as Chairman, the Secretary of the Department of Finance (DOF) as Vice-Chairman, and the following as members: the Secretary of Department of Budget and Management (DBM), the Secretary of the Department of Labor and Employment (DOLE), the Chief Executive Officer of the HDMF, two (2) representatives of private employees, two (2) representatives of private employers, one (1) representative of

government employees, and one (1) representative of the real estate and housing industry.

The representatives of the private employers and employees shall each be appointed by the President for a term of two years: *Provided, However, That* of the first set to be appointed, one representative of the employees and one representative of the employers shall have a term of only one year. The representatives of the government employees and the real estate and housing industry shall be appointed by the President for a term of two years.

CHAPTER IV

REAL ESTATE ADJUDICATION COMMISSION.

SEC. 20. ***Renaming Housing and Land Use Regulatory Board.-*** The Housing and Land Use Regulatory Board, hereby renamed and reconstituted as Real Estate Adjudication Commission (REAC), shall be attached to the Department for program and policy coordination only.

The regulatory functions of the former HLURB shall be performed by the Department with the REAC retaining the quasi-judicial functions thereof.

The REAC may sit *en banc* or in three divisions. All cases submitted to it for resolution shall be heard and decided in division: *Provided, That* motions for reconsideration shall be decided by the Commission.

The incumbent full-time commissioners of the present HLURB shall remain in office until the expiration of their term or unless sooner removed for cause.

SEC. 21. ***Term and Compensation***. The members of the REAC shall be appointed for a term of six (6) years and shall receive such salaries and emoluments as provided by existing laws.

SEC. 22. ***Jurisdiction.-*** The REAC shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

(a) On Real Estate

(1) Unsound and fraudulent real estate business practices;

(2) Claims for refund against project owners, developers, dealers, brokers, or salespersons;

(3) Specific performance of contractual and statutory obligations filed by buyers of subdivision lots or condominium units against the owner, developer, dealer, broker, or salesperson;

(4) Squatting on subdivision lots;

(5) Ejectment or issuance of writ of possession covered by buyer-financing agreements with any financing institution;

(6) Easements or rights of way;

(7) Disputes between: (i) landowners and developers, and (ii) banks and developers, whenever the interest of buyers of subdivision lots, or house and lots, or condominium units are involved;

(8) Partial release of mortgage titles of subdivision lots and condominium units;

(9) Easements of waterways, drainage, connections, and light;

(10) Homeowners' associations and condominium corporations;

(11) Claims of brokers and/or salespersons for unpaid commissions for condominium and/or subdivision projects and all real estate brokerage transactions; and

(12) Other related cases arising from contractual or statutory obligations of owners, dealers, brokers, or salespersons towards lot or unit buyers.

(b) ***On Housing and Land Use Planning and Regulation***

Decision and actions of: (i) local housing boards of provinces, highly-urbanized, independent component cities and Metro Manila cities and municipalities; (ii) regional and local physical planning and zoning bodies, including local zoning boards of adjustment and appeals; and (iii) the different bureaus and other deputized officials of the Department on matters arising from the performance of their functions, including but not limited to, applications with opposition, petitions for revocation of clearances, permits and licenses issued, and reasonableness of fines imposed by the Housing Regulation and Consumer Protection Bureau.

(c) ***On Shelter Rights***

Violations of Sections 18 and 28 of R. A. No. 7279, and their Implementing Rules and Regulations.

SEC. 23. ***Power and Authority***. - The REAC shall have the following powers and authorities:

(a) Promulgate rules and regulations governing the hearing and disposition of cases filed before it and those pertaining to its internal functions and such other regulations as may be necessary to carry out the purposes of this Act: *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 in accordance with justice, equity, and merit;

(b) Administer oaths, summon the 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 under this Act;

(c) 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;

(d) Hold any person in contempt, directly or indirectly, and impose appropriate penalties therefor;

(e) Impose administrative fines and/or penalties for violation of this Act, R.A. No. 7279, and other laws implemented by the REAC, including pertinent rules and regulations, orders, decisions, and/rulings: *Provided, That* the maximum impossible fines or penalties shall not exceed Five Hundred Thousand Pesos (Php 500,000);

(f) Exercise operational and administrative control and supervision over Real Estate Arbiters;

(g) To establish offices to cover as many provinces and cities, whenever and wherever it may be expedient, necessary and feasible; and

(h) Exercise such other powers as implied, necessary, or incidental to the carrying out the express powers granted to the REAC or to achieve the objectives and purposes of this Act, and other laws implemented by the board.

SEC. 24. ***Criminal Prosecution***. - Criminal prosecution for violation of housing laws and regulations shall be instituted before regular courts with appropriate jurisdiction.

SEC. 25. ***Real Estate Arbiters, Qualifications, Powers and Functions.*** - The Secretary shall appoint Real Estate Arbiters who shall be members of the Philippine bar for at least three (3) years, with at least three (3) years experience or exposure in the field of real estate or land use development;

The Real Estate Arbiters shall receive an annual salary at least equivalent to, and be entitled to the same allowances and benefits, as an Assistant Regional Director of the Department;

The Real Estate Arbiters shall have original and exclusive jurisdiction to hear and decide cases as enumerated in Section 22 of this Act.

SEC. 26. ***Appearances.*** - A lawyer appearing for a party is presumed to be properly authorized for that purpose. A non-lawyer may appear before the REAC or the Real Estate Arbiter only if: (a) he/she represents himself/herself as party to the case; or (b) he/she represents an organization: *Provided, That* he/she shall be made to present written proof that he/she is properly authorized

SEC. 27. ***Appeals***. - Decisions, awards or orders of the Real Estate Arbiters shall be final and executory unless appealed to the REAC within ten (10) calendar days from receipt of such decisions, awards or orders.

Decisions of the Commission shall be appealable 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. 28. ***Prohibition Against Restraining Order or Injunction***. – Only the Supreme Court of the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary or permanent injunction against the REAC or its regional offices 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 eviction/demolition procedures.

SEC. 29. ***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 into their finality: *Provided, That* enforcement of decisions in pending ejectment cases which eventually violate Section 28 of R.A. No. 7279 may be subjected to the original and exclusive jurisdiction of the REAC.

CHAPTER V

PUBLIC ESTATES AUTHORITY

SEC. 30. ***Public Estates Authority.*** In addition to the existing mandate of the Public Estates Authority created under P.D. 1084, as amended by E.O. No. 525,

(Series of 1979) and E.O. No. 654 (Series of 1981), the PEA is hereby mandated to ensure that its programs and projects are in accordance with the broader objective of the national urban development and housing framework. In coordination with the Department, the PEA shall undertake the development of new towns with complete basic facilities in urbanizable and urbanizing areas including growth areas to decongest existing urban communities.

The governing board of the PEA is hereby reconstituted to include the Secretary of the Department of Housing and Urban Development and a Secretary of the Department of Interior and Local Government as *ex-officio* members.

CHAPTER VI

SHELTER FINANCE

SEC. 31. ***Housing Assistance for HDMF, SSS and GSIS Members.*** As provided for in their respective charters, HDMF, SSS and GSIS shall allocate annually funds to implement home lending and housing assistance programs which qualified members of these institutions may avail of. For this purpose, the HDMF, SSS and GSIS shall provide annually the maximum limit of their investible funds for their housing programs.

The funds allocated shall be used exclusively for home financing and no part thereof shall be used for administrative or operating expenses of these institutions.

New members of the HDMF shall be allowed to pay the required two-year membership contribution in lump sum to immediately qualify for home lending and housing assistance programs.

Within thirty (30) days from the effectivity of this Act, the HDMF, SSS and GSIS shall jointly formulate the policies and specific terms that will govern implementation of their respective facilities for Retail Loan and Development Loan Programs. The same guidelines shall be adopted by government and private financial institutions implementing retail and developmental home financing programs.

SEC. 32. ***Social Housing Fund.*** - There is hereby established a Social Housing Fund (SHF) composed of the following fund sources:

(a) Amounts provided for socialized housing under the annual General Appropriations Act;

(b) 50% of the 12% of all the proceeds of any sale, after deducting all expenses related to the sale, portions of military camps as provided in Republic Act No. 7227, as amended;

(c) Loans, grants, bequests and donations, whether from local or foreign sources;

(d) Proceeds from forfeited customs bonds; and

(e) Ten percent (10%) of the mandatory annual contributions of the Philippine Charity Sweepstakes Office (PCSO) to the charity fund as provided for in Section 6 of R.A. No. 1169 shall be channeled to this fund.

In addition, Sixty-Five Billion Pesos (P65 B) from the unused portion of the Agri-Agra funds of banks to be accessed over a period of four (4) years from the effectivity of this Act shall be invested in low-cost and socialized housing.

The SHF shall be administered by the Department and shall be allocated solely for housing programs for the low-income group of the informal sector such as squatter relocation, sites and services program, urban renewal, rental housing, land banking, and livelihood assistance programs in resettlement areas. The programs and projects that will be funded under said Fund shall be determined by the Department. The NHC shall be responsible for the implementation of the priority housing projects under the Socialized Housing Program.

CHAPTER VII

LAND USE FOR HOUSING AND URBAN DEVELOPMENT

SEC. 33. ***Designation and Use of Lands for Housing and Urban Development Purposes.*** **-**

(a) LGUs with updated and approved Comprehensive and Land Use Plans (CLUPs) shall adopt and adhere to prescribed use of lands contained therein. Laws, acts or ordinances inconsistent thereto shall be deemed superceded by the approved CLUPs.

(b) All lands in all cities regardless of population density and in all first-class and second-class municipalities with a population density of at least 500 persons per square kilometer and all privately-owned striplands as defined under P.D. No. 399 along national roads, provincial roads and municipal roads, shall be designated and zoned by the local government units for residential and other urban or non-agricultural uses as provided under R.A. No. 7279.

(c) Local government whose localities do not meet the population density requirement under paragraph (a) herein may reclassify agricultural lands for residential, commercial and other urban development purposes, and accordingly enact zoning ordinances, to the extent of ten percent (10%) of the total agricultural land area in the case of first to third class municipalities: *Provided, That* the computation of the total agricultural land area shall not include lands set aside for development into Strategic Agricultural and Fisheries Development Zones under R. A. No. 8435: *Provided, Further, That* in the case of fourth to sixth class municipalities, reclassification shall not affect lands duly awarded under the CARP: *Provided, Further, That* a resolution duly passed by the Sangguniang Bayan that the land shall have substantially greater economic value for residential, commercial, or reclassification and zoning under Section 20 of R.A. No. 7160: *Provided, Finally, That* lands identified by various agencies and approved by the National Economic Development Authority (NEDA) as priority development areas, in case these form part of non-reclassified land, shall be submitted to the local government concerned for reclassification and zoning.

(d) Land use plans and zoning ordinances shall be subject to review by the Sangguniang Panlalawigan in case of component cities and municipalities as provided under Section 56 and 468 of R.A. No. 7160, and approval by the HLURB pursuant to Executive Order 648: *Provided, That* the basis for said approval shall be limited to the consistency of the ordinance with the zoning standards and guidelines promulgated by the HLURB and the percentage limitations set forth in Section 20 of R. A. No. 7160, and shall not extend to the utilization of lands. Said ordinances shall take effect the requisite period of publication.

(e) Other than a certification from the Department of Environment and Natural Resources (DENR) that the lands to be classified and zoned by the local government are not forest or mineral lands or do not form part of national parks and NIPAs, and a certificate of review from the Sangguniang Panlalawigan where applicable, no prior clearances or approval from any national government agency shall be required for purposes of review and approval of the zoning ordinances by the HLURB. Failure by the HLURB to approve within ninety (90) days of submission by the local government

concerned of the zoning ordinance with the recommended revisions as the case may be, shall render the ordinance in full force and effect.

(f) Whether or not irrigated or irrigable, tenanted or untenanted, no Notice of Coverage under the Comprehensive Agrarian Reform Program (CARP), Notice of Acquisition, Notice of Valuation or any similar instruments of the Department of Agrarian Reform (DAR) shall be issued to cover (1) lands herein designated for housing and urban development, (2) lands zoned prior to or after effectivity of R. A. No. 6657 for residential, commercial, industrial or other urban development purposes under local zoning ordinances duly approved by the HLURB, and (3) areas specifically listed as Ecozones under R. A. No. 7916 or identified as such pursuant to said law. Any such notice that may have already been issued shall be deemed lifted within thirty (30) days from effectivity of this Act: *Provided, That* in case the land is subject of a valid voluntary offer to sell under the CARP, the same may be revoked upon application by the landowner.

(g) The Department shall have exclusive authority to formulate and enforce policies and regulations to govern the use of the lands identified in the preceding paragraph, subject to the provisions of R.A. No. 7916, and no conversion clearance or CARP-exemption clearance or any other clearance from the DAR shall be required for purposes of developing the same for their prescribed uses: *Provided, However, That* LGUs shall have the primary responsibility of determining the use of lands in their localities subject to the policies, guidelines and standards promulgated by the Department.

(h) Permits to develop said lands shall be issued within thirty (30) days of submission by the project proponent of the development plans: *Provided, That* in all cases where development of the land will result in displacement of legitimate farmer-tenants as may be identified by the DAR and the local government concerned, no development permit shall be issued unless the application thereof is accompanied by evidence of payment of disturbance compensation the amount of which shall be determined by the Department of Agriculture (DA) in accordance with the formula prescribed under R.A. No. 3844 as amended by R. A. No. 6389, for which the DA shall promulgate the implementing guidelines within (30) days from effectivity of this Act: *Provided, Further, That* development plans shall incorporate applicable

environmentally critical areas as identified pursuant to law, a Certificate of Environmental Clearance from the DENR shall be submitted together with the application for a development permit: *Provided, Finally, That* in case the land involved is irrigated by public funded irrigation facilities, the project proponent shall reimburse the DA for the cost of the irrigation facilities.

(i) The lands designated herein for housing and urban development may be used for short-gestating agricultural production activities in the meantime that they await actual development or use: *Provided, That* any arrangement to this effect between the landowner and third parties shall not be subject to provisions of agrarian reform laws.

(j) Within ninety (90) days from effectivity of this Act the Department , in collaboration with the LGUs concerned, shall undertake and complete the identification of striplands within a 1,000-meter strip along existing, proposed or on-going national, provincial and municipal roads.

CHAPTER VIII
TRANSITORY PROVISIONS

SEC. 34. ***Transfer of Powers and Functions***.- Within six (6) months after the approval of this Act, the powers and functions of the HUDCC shall be transferred to the Department. The foregoing transfer of powers and functions shall include all applicable funds and appropriations, records, equipment, property, and personnel as may be necessary. The same shall apply to agencies and government units which have not been abolished but whose functions have been transferred to the Department. All purely governmental functions being performed by the HLURB shall be transferred to the Department. Likewise, all existing powers and functions of these agencies in their charters which are inherent and incidental to their corporate mandates shall be retained with the concerned agencies.

All *ex-officio* functions of the Chairman of the HUDCC are likewise transferred to the Secretary.

SEC. 35. ***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 HUDCC and all other agencies, or government units whose functions and powers have been transferred to the Department, and all their funds, records, property, assets, equipment and such personnel, as may be necessary, including unexpended

appropriations and/or allocations. All contracts and liabilities of the said offices are hereby transferred to and assumed by the Department and shall be acted upon in accordance with the Auditing Code and other pertinent laws, rules, and regulations: *Provided, That* the officers and employees of said agencies/corporations who will be needed for the continuity of the programs shall continue in a holdover capacity until such time as the new officers and employees of the Department shall have been duly appointed pursuant to the provisions of this Act.

SEC. 36. ***Rationalization or Transfer of Functions of Attached or Related Agencies.*** - The land use planning and enforcement functions including monitoring and issuance of licenses and permits of the HLURB as provided for under Section 5a, 5b, 5c, 5d, 5g and 5h of Executive Order No. 648 and similar provisions in Executive Order No. 90; the implementation of the pre- relocation, relocation, and post relocation activities mentioned in Sec. 10. (E) 2 of this Act, as provided for in Section 28 of R.A. No. 7279; and the powers, authorities and responsibilities vested in the HLURB with respect to the registration of homeowners' associations as provided for under Section 26 of R.A. No. 8763 shall be transferred to the Department.

SEC. 37. ***Structure And Staffing Pattern***. – Except for the position of Secretary, Undersecretary, and Assistant Secretary, there shall be no hiring of new personnel for the department. Within ninety (90) days from the effectivity of this Act, the Secretary shall formulate and submit to the Oversight Committee for its review and approval the Department's proposed organizational structure and staffing pattern that shall ensure that there is no duplication of functions between the Department and its attached agencies. After the Oversight's review and approval, the proposed organizational structure and staffing pattern of the Department shall be submitted to the President for final approval through the DBM within ninety (90) days.

The Oversight Committee shall be composed of the following:

(a) The Chairpersons of the Senate Committee on Housing, Resettlement, and Urban Planning, and the House Committee on Government Reorganization, as co-Chairpersons; and

(b) The Chairpersons of the Senate Committee on Finance and the House Committee on Housing and Urban Development, the House Committee on Appropriations, and the House Committee on Government Enterprises and Privatization, as members.

The authorized positions created therein shall be filled by regular appointment by the President or the Secretary, as the case may be: *Provided, That* in the filling of positions created, the Secretary shall create an ad hoc committee composed of management and staff of the concerned agencies to ensure that preference shall be given to the personnel of the corporations or agencies affected by the restructuring provided in this Act: *Provided, Further, That* such individuals comply with the qualification standards set by the Civil Service Commission (CSC) for the positions they shall be appointed to: *Provided, Finally, That* if such individuals possess the same qualifications, seniority shall be given priority.

SEC. 38. ***Separation from the Service***. - Employees separated and/or phased-out from the service as a result of the abolition and/or reorganization under the provisions of this Act shall within six (6) months from their separation and/or phase-out from the service receive a separation pay equivalent to two (2) times the monthly basic salary for every year of service in the government and the refund of their personal contribution plus interest including the government share to the GSIS. In addition, those who are qualified to retire shall be allowed to retire and be entitled to all benefits provided, under any of the existing retirement laws. The miscellaneous personnel benefits, the organization adjustment, and corporate funds maybe used to fund the purpose.

CHAPTER IX
FUNDING

SEC. 39. ***Appropriations***. - The amount needed for the initial implementation of this Act shall be charged against the current year's appropriations of HUDCC and all Corporations herein attached to the Department. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 40. ***Additional Funding*** .- Subject to existing rules and regulations, the funds and monies collected or which otherwise come into possession of the Department and its bureaus from fees, surcharges, fines and penalties which the Department and its bureaus may impose and collect under this Act, as well as an amount to be determined at the beginning of every calendar year representing twenty percent (20%) of the outstanding balance of the funds and monies shall be deposited as a special account in the General Fund and shall be disbursed for expenses

necessary for the effective discharge of the powers and functions of the Department under this Act, except personal services requirements.

CHAPTER X

MISCELLANEOUS AND FINAL PROVISIONS

SEC. 41. ***Social Housing One Stop Processing Centers.*** - For purposes of socialized, low-cost, economic and middle-income housing development, the Department shall establish Social Housing One-Stop Processing Centers (SHOPCs) in the regions, which shall centralize the processing and issuance of all required permits, clearances and licenses. *Provided, That* for the foregoing purpose, the respective ceilings for socialized, low cost/economic and middle-income housing shall be jointly determined by the Department and the NEDA: *Provided, Further, That* at any time, but not more often that once every two (2) years, such ceilings may be reviewed or revised to conform to prevailing economic conditions. All agencies involved in the issuance of said permits, clearances and licenses shall be represented in the SHOPC and shall assign to SHOPC regional centers personnel who shall be sufficiently authorized to process and issue the same.

SEC. 42. ***Reduction Of Paperwork Volume.*** - The Department and its attached agencies and corporations shall, in accordance with laws governing the conduct of housing programs, use in their respective programs consolidated and simplified forms, particularly those that adjure identical or nearly identical information from one person in the conduct of two or more housing programs.

The Department shall formulate rules and regulations to allow systematic flow of paperwork to eliminate the processing of forms that solicit identical or near identical information from the same person.

SEC. 43. ***Per Diems.*** - The members of the Council and the governing boards of the corporations and agencies attached to the Department shall receive per diems for every meeting actually attended at rates in accordance with existing accounting and auditing rules and regulations. Said members, other than the chief executive officers of the attached corporations and agencies, may designate their respective alternates whose acts shall be considered as acts of their principals and who shall have the right to receive the pertinent benefits.

SEC. 44. ***Disclosure and Divestment of Financial Interest.*** – Before assumption into office, the Secretary, the Undersecretary, and the Assistant

Secretaries shall submit to the CSC a list of all companies, partnerships or business enterprises, including non-profit organizations, in which they or any immediate member of their families within the second degree of consanguinity or affinity, have any form of financial interest or employment relationship, including consultancy: *Provided, However, That* all other forms of employment relationship held by the heads of the Offices of the Department shall be immediately terminated upon assumption into office.

Within thirty (30) days thereafter, complete divestment of financial interests in any institution, form or company which falls under the supervisory or regulatory jurisdiction of the Department shall be made: *Provided, However, That* in cases where confirmation of appointments by the Commission on Appointments is required, the divestment, mandated herein shall be complied within thirty (30) days after such confirmation.

The divestment provided in the preceding paragraph shall likewise apply to the members or the immediate members of their families within the second degree of consanguinity having interest in any institution or activity which falls under the regulatory jurisdiction and supervision of the Department and the attached agencies and corporations.

SEC. 45. ***Relationship with Other Government Departments.*** - The Department and its priority projects shall enjoy preferential attention from the DENR, DAR, DA, Department of Justice and the LGUs, relative to the issuance of necessary permits and licenses necessary for the implementation of housing and urban development programs and projects.

Upon request of the Department or any of its bureaus, all government agencies with functions relative to the approval of the projects of the Departments or its duly authorized and endorsed entities, whether government or private, shall act upon and resolve the matter within ten (10) calendar days. Toward this end, the Secretary with the approval of the President may establish an inter-agency Secretariat for the purpose of expediting the approval of said projects.

SEC. 46. ***Mandatory Review Two Years After The Enactment Of This Act..-*** The Department shall review the charters and mandates of attached agencies and corporations and recommend the necessary legislation to insure consistency with the policy of this Act and avoid duplication of functions or any other dysfunction among the attached agencies and corporations

SEC. 47. ***Formulation of the Implementing Rules and Regulations*** - Within three (3) months after the approval of this Act, the President shall convene an Inter-Agency Committee that shall formulate and issue the appropriate rules and regulations necessary for the efficient and effective implementation of any and all provisions of this Act.

The Committee shall be composed of the following:

(a) The Secretary of the Department of Housing and Urban Development, as Chairman;

(b) The Secretaries of DOF, DILG, DAR, and DENR;

(c) The heads of the GSIS, SSS, NHA, NHMFC, REAC, HDMF, and HGC;

(d) The Chairpersons of the Senate Committees on Finance and Housing, Resettlement, and Urban Planning; and the House Committees on Government Reorganization, Housing and Urban Development, Appropriations, and Government Enterprises and Privatization;

(e) Two (2) representatives each from the dominant urban poor organization and NGOs, to be appointed by the Chairpersons of Joint Congressional Committee, and

(f) Two (2) representatives each from the respective organizations of real estate brokers, real estate appraisers, and real estate consultants.

SEC. 48. ***Penal Provision.*** - The Department shall impose an maximum imposable fine for violations of its standards, rules and regulations should not exceed Five Hundred Thousand pesos (P500,000.00): *Provided, That* said limit shall be accordingly adjusted by the Secretary, and such adjustment shall be reflective, but not exceed the annual rate of increase, of the Consumer Price Index: *Provided, Further That* the Secretary may adjust such rates not more than once every three (3) years.

SEC. 49. ***Separability Clause***. - If, for any reason or reasons, any part or provision of this Act shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 50. ***Repealing Clause***.- Provisions of laws, decrees, orders, proclamations, rules, regulations or parts thereof which are inconsistent herewith are hereby repealed, amended, or modified accordingly.

SEC. 51. ***Effectivity***.- This Act shall take effect fifteen (15) days following its complete publication in at least two (2) national newspapers of general circulation.

Approved.