

Republic of the Philippines
HOUSE OF REPRESENTATIVES

THIRTEENTH CONGRESS
First Regular Session

House Bill No. 1250

Introduced by Honorable Rodolfo C. Bacani

EXPLANATORY NOTE

An acute shortage in the general housing situation has critically beset the Philippines, especially during the last few decades. Even with various programs aimed at bridging the gap, the recorded housing backlog has consistently increased, thus displacing more and more of our countrymen as the years pass.

In this connection, it would seem four key factors significantly hinder efforts to address the shortfall in housing. These include: 1) unaffordable housing packages; 2) absence of sustainable fund sources; 3) limited access to land; and 4) lack of political will.

The incessant shortage in the housing sector, however, practically stems from one major problematic; that is, government's apparent inability to put its act together. The sheer number of agencies tasked with addressing the problem has indiscriminately resulted in the duplication of functions and made for a policy environment that is quite rough and incoherent.

Consequently, our lack of success in sustaining an effective housing program has further aggravated the squatting condition, particularly in Metro Manila, thereby prompting a vicious cycle that we desperately need to rectify.

This measure, therefore, seeks to establish that first important step towards rationalizing government's efforts to solve the worsening human settlements and housing problem in the country. Towards this end, it proposes the creation of the Department of Housing and Urban Development.

Due to the urgent significance of this measure, which had in fact already reached 3rd Reading in the 12th Congress, its immediate approval is earnestly sought.



RODOLFO C. BACANI

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OMNIBUS HOUSING AND URBAN DEVELOPMENT ACT

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

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

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

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

7 (a) "Abot-Kaya Pabahay Fund" – refers to the fund established under RA No.
8 6846, otherwise known as "The Social Housing Support Fund Act" as
9 amended by RA No. 7835, otherwise known as "The Comprehensive and
10 Integrated Shelter Financing Act of 1994. The Fund shall be used exclusively
11 to enhance the affordability of low-cost housing by low-income families
12 through its four (4) components, namely: amortization support, developmental
13 financing, cashflow guaranty, interest subsidy and liquidity support;

14 (b) Agricultural Land Conversion – refers to the undertaking of any activity that
15 will modify or alter the physical characteristics of agricultural lands to render
16 them suitable for non-agricultural purposes with an approved order of
17 conversion from the secretary of the Department of Agrarian Reform (DAR);

18 (c) CISFA – refers to R.A. No. 7835;

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

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

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

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

- 1 (g) "New town" – refers to any large-scale planned development which includes
2 housing, work places, and related facilities within a more or less self contained
3 environment.
- 4 (h) "Secondary mortgage market" - refers to the system which entails purchase,
5 acquisition, discounting or refinancing of loan and mortgage packages or
6 participations therein. These instruments, in turn, are traded in the financial
7 market through issuance and/or sale of bonds, promissory notes, debentures,
8 conveyances and other financial instruments or participation therein, backed
9 by the same pool or mortgages, securitizations, and other assets;
- 10 (i) "Socialized Housing" – refers to housing programs and projects covering
11 houses and lots or homelots only undertaken by the government or the private
12 sector for the underprivileged and homeless citizens which shall include sites
13 and services development; long term financing, liberalized terms on interest
14 payments, and such other benefits in accordance with the provisions of this
15 Act.
- 16 (j) "Urban development" – refers to the process of occupation and use of land or
17 space for such activities as residential, industrial, commercial and the like,
18 necessary to carry out the functions of city life. It entails building or rebuilding
19 of more or less permanent structures over land that is often withdrawn or
20 converted from its original use, resulting in the creation of the built
21 environment;
- 22 (k) "Urban planning" – refers to a process, also called city planning or town
23 planning, that involves planning for diverse elements that comprise an
24 urbanized area, including its physical infrastructure, environment, housing and
25 transportation, and management of land use and urban growth; and
- 26 (l) "Urban renewal" – refers to the idea of consciously renewing the outworn
27 areas of towns and cities, through redevelopment and rehabilitation.
- 28 **SEC. 4. *Statement of Objectives.*** – Toward this end, the State shall:
- 29 (a) Formulate and oversee the implementation of a comprehensive housing and
30 urban development policy as an integral part of national development plans to
31 regulate and direct urban growth and expansion towards a dispersed urban net
32 and to achieve a more balanced urban-rural interdependence;
- 33 (b) Undertake with the participation of the private sector a continuing
34 comprehensive, affordable, and sustainable housing program;

- 1 (c) Establish a sustainable housing finance system that ensures affordable housing
2 through low downpayment, long-term financing, and low interest rate;
- 3 (d) Improve coordination of national government housing and urban development
4 policies and programs and extend adequate technical and material assistance to
5 local government units;
- 6 (e) Encourage participation of all stakeholders in housing and urban development,
7 such as local government units (LGUs), non-government organizations
8 (NGOs), peoples' organizations (POs) and the private sector;
- 9 (f) Rationalize the structure, powers, and functions of the different housing and
10 urban development agencies and integrate all housing and urban development
11 policies, plans, programs and projects of various government corporations and
12 agencies to expedite the delivery of decent, affordable, and sustainable
13 housing and urban development programs and projects; and
- 14 (g) Promote the application of technologies that reduce costs and improve the
15 quality of habitability of housing.

16 CHAPTER II

17 THE DEPARTMENT PROPER

18 SEC. 5. *Creation of the Department of Housing and Urban Development.* -

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

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

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

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

- 1 (b) Provide for the development of: (1) a sustainable market-oriented housing
2 finance system, which promotes the adequate flow of private funds into the
3 primary and secondary mortgage markets; and (2) a complementary system of
4 well-targeted and transparent housing subsidy mechanisms for the less
5 privileged and homeless;
- 6 (c) Ensure the provision of adequate housing stock to meet the needs of all
7 income groups, especially the underprivileged and homeless in urban centers
8 and in resettlement and rural areas;
- 9 (d) Pursue an urban renewal of blighted and slum areas, the resettlement and
10 relocation of informal dwellers, and the containment of squatting, pursuant to
11 law, in a just and humane manner;
- 12 (e) Supervise all corporations and agencies attached to the Department namely:
13 Home Guaranty Corporation (HGC), National Housing Authority (NHA),
14 National Home Mortgage Finance Corporation (NHMFC), Home
15 Development Mutual Fund (HDMF), and Housing And Urban Development
16 Adjudication Commission (HUDAC), to: (1) ensure adherence, consistency
17 and integration with Department policies, plans and programs; and (2) monitor
18 the performance and soundness of their management and financial policies in
19 accordance with the government's housing and urban development
20 framework;
- 21 (f) Promulgate, amend, or repeal such rules and regulations as may be necessary
22 to complement the intent and purposes of this Act, which, upon approval by
23 the President and after due publication thereof, shall have the force of law;
- 24 (g) Effect and oversee a single regulatory system that shall govern all activities
25 relative to the planning, production, marketing, and maintenance of residential
26 and commercial development projects;
- 27 (h) Develop and establish a sector performance monitoring and assessment
28 mechanism and monitor and report on the performance of the sector, national
29 government agencies and local government units in urban development and
30 housing to enable continuing improvements in sector policy and strategy
31 formulation;
- 32 (i) Adopt and promulgate development standards and guidelines that shall govern
33 the preparation and implementation of land use plans and zoning ordinances of
34 LGUs and property development of the public and private sectors;

- 1 (j) Provide technical assistance and information to assist LGUs in developing
2 solutions to problems on housing, community, and urban development and/or
3 renewal;
- 4 (k) Coordinate the development activities of LGUs toward a more effective
5 housing delivery, optimal land use, and the balanced growth of urban and
6 urbanizing communities in relation to demographic factors, productive
7 capacity, and natural resource endowment;
- 8 (l) Exercise initiative and, under the directions of the President, assume a lead
9 role in coordinating the activities of other agencies and instrumentalities that
10 impact on urban development;
- 11 (m) Call on other agencies or instrumentalities of the government and private
12 entities for cooperation and assistance in the performance of its functions;
- 13 (n) Monitor compliance and provide policy directions, standards and technical
14 assistance to LGUs in the preparation of their respective land use plans and
15 zoning ordinances, subject to the over-all land use plan of the regional
16 development councils and the NEDA;
- 17 (o) Undertake a rational, balanced, orderly, and efficient development of new
18 settlements and the redevelopment of existing urban communities that indicate
19 potentials for accelerated growth. Such activities shall assure the dwellers
20 thereon of decent and affordable housing, job and livelihood opportunities,
21 efficient mass transit, public safety, health care, educational opportunities, and
22 clean environment;
- 23 (p) Conduct continuing research and development of innovative and indigenous
24 technologies that will enhance housing affordability;
- 25 (q) Ensure consumers' education and protection and establish and administer
26 mechanisms such as the development, maintenance, updating, and upgrading
27 of an industry information system and data bank which shall include a
28 masterlist of beneficiaries;
- 29 (r) Establish a mechanism to identify, update, validate, and determine full
30 eligibility of target beneficiaries for socialized housing programs and projects
31 in order to maximize government resources and avoid double availment of
32 such programs and projects;
- 33 (s) Discharge all responsibilities of government that may arise from agreements
34 and other commitments on housing, land use and urban development to which

- 1 it is a signatory, including the determination of forms of assistance for
2 housing, land use and urban development to be extended through multilateral
3 or bilateral assistance program;
- 4 (t) Determine, fix, and collect reasonable amounts to be charged as administrative
5 fees, fines and penalties; as well as issue *motu proprio*, after the conduct of
6 appropriate investigation, notices of violation, cease and desist and/or closure
7 and demolition orders, ejectment and summary abatement orders, necessary
8 for the effective implementation of all laws, rules and regulations, and other
9 legal issuances enforced by the Department;
- 10 (u) Determine, fix, and collect reasonable amounts to be charged as administrative
11 fees, fines, and penalties on any natural or juridical person who practice real
12 estate services without any license, and
- 13 (v) Perform such other acts not inconsistent with this Act as are necessary to
14 achieve its purposes.

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

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

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

- 24 (a) Provide executive direction, control, and supervision over the entire operations
25 of the Department;
- 26 (b) Rationalize delivery systems as is necessary for the effective attainment of
27 the objectives of the Department, including the creation of regional and field
28 offices, other service units and divisions, and the delegation of authority to
29 regional and field offices for decentralized programs, subject to the provisions
30 of existing laws;
- 31 (c) Call on other government and private entities for cooperation and assistance in
32 the performance and discharge of the Department's functions;
- 33 (d) Coordinate with LGUs, other agencies, and public and private interest groups,
34 including NGOs and POs on Department policies and initiatives;

- 1 (e) Restructure the internal organization of the Department, subject to the
2 approval of the President;
- 3 (f) Recommend to the President on the restructuring of the structures of its
4 attached agencies and corporations;
- 5 (g) Review existing rules and regulations governing financing schemes,
6 homeowners associations and other issues attendant to the different and
7 projects, with the end in view of ensuring their effectiveness and efficiency;
8 and
- 9 (h) Formulate such rules and regulations and exercise such other powers as may
10 be necessary to implement the objectives of this Act.

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

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

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

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

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

29 **SEC. 12. *Bureaus.*** The Department shall have the following Bureaus: (a)
30 Financial and Institutional Development Bureau, (b) Urban Development Bureau, (c)
31 Housing Technology Bureau, [and] (d) Realty Regulation and Consumer Protection
32 Bureau, and (e) Settlements and Social Housing Bureau.

33 The Bureaus shall perform the following functions:

34 (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) Accredited, 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;

- 1 (3) Coordinate with the Public Estates Authority (PEA) in the development of
2 new towns with complete basic facilities and services in urbanizable and
3 urbanizing areas, including the identified growth areas such as but not limited
4 to CALABARZON, East Asian Growth Area, and the North Quadrangle, in
5 order to decongest existing urban communities;
- 6 (4) Assist the LGU in undertaking a rational, well-balanced, orderly, and efficient
7 redevelopment/renewal of existing urban communities;
- 8 (5) Assist in the formulation and updating of national objectives for housing and
9 urban development, specifically the National Urban Development Framework;
- 10 (6) Monitor the implementation of projects and programs under its jurisdiction;
11 and
- 12 (7) Perform such other related functions as may be assigned to it by the Secretary.

13 **(c) Housing Technology Bureau**

- 14 (1) Study and promulgate appropriate standards on all types of housing
15 construction;
- 16 (2) Review and update national standards and technical requirements for
17 economic and socialized housing projects;
- 18 (3) Accredit, promote, and encourage the development and utilization of
19 innovative housing technology that can reduce the cost of housing and within
20 the reach of the poor without sacrificing safety requirements, and provide for
21 the prototyping/piloting of the same;
- 22 (4) Provide awards, incentives, and citations to innovative, and ingenious
23 discoveries and inventions in coordination with the Department of Science and
24 Technology (DOST), and the Board of Investments (BOI);
- 25 (5) Publicize findings and research on new technologies;
- 26 (6) Participate in local and international expositions, competitions, and various
27 research and development activities on housing technology;
- 28 (7) Monitor, evaluate, and validate the programs and projects under its
29 jurisdiction; and
- 30 (8) Perform such other related functions as may be assigned to it by the
31 Secretary.

32 **(d) Realty Regulation And Consumer Protection Bureau**

- 33 (1) Oversee the enforcement of the approved rules, regulations, and standards on
34 all types of housing developments such as subdivision, condominium,

- 1 townhouse, single-detached or multi-unit housing, industrial subdivisions,
2 industrial condominiums, farm subdivisions, resort and leisure estates,
3 memorial parks, office / commercial condominiums, condominium-hotels
4 (condotels), and commercial centers;
- 5 (2) Oversee the issuance by the regional offices of Certificates of Registration and
6 Licenses to Sell for all real estate development projects, and the collection of
7 the necessary penalties, fines, and fees, and monitor, assess, and investigate
8 compliance with approved subdivision and condominium plans;
- 9 (3) Continually streamline the implementation and enforcement of regulations,
10 including the regulatory aspect of the urban land reform program, the
11 Subdivision and Condominium Buyer's Protective Decree, land value and
12 building rental regulations, Rent Control Law, and other related laws;
- 13 (4) Undertake the acceptance and initial processing of complaints of housing
14 related cases mentioned in Sec. 23 of this Act and the referral of the same to
15 the housing arbiters;
- 16 (5) Accredite duly-licensed brokers, through their organizations, to source lands for
17 project development and to market certain housing inventories or to solicit
18 qualified beneficiaries;
- 19 (6) Accredite developers to undertake the development of certain urban lands;
- 20 (7) Register, issue certificates of incorporation to, and regulate homeowners'
21 associations and condominium corporations organized pursuant to PD No.
22 957, R. A. No. 4726, PD No. 902-A and other related laws;
- 23 (8) License real estate brokers, real estate appraisers, and real estate consultants.
- 24 (9) Develop and implement real estate consumer education and protection
25 programs;
- 26 (10) Promote public trust and consumer education through the implementation of a
27 strategic communications plan that will offer timely dissemination of accurate
28 and updated information on the department's policies, plans, programs, and
29 projects;
- 30 (11) Monitor the implementation of projects and programs under its jurisdiction;
31 and
- 32 (12) Perform such other related functions as may be assigned to it by the Secretary.
- 33 **(c) Settlements and Social Housing Bureau.**

- (1) Ensure that relevant government housing programs shall make available to the lowest 30% of the income earners decent and affordable housing with basic services and employment opportunities;
- (2) Formulate and ensure the enforcement of policies, rules and regulations governing socialized housing provision, upgrading provision of tenure, and improvement of informal settlements;
- (3) Formulate and enforce policies, rules and regulations governing resettlement, relocation, eviction and demolition activities and for this purpose, issue relocation/eviction compliance clearances for national or local government projects which will involve the eviction or demolition of structures of homeless and underprivileged citizens in accordance with RA 7279 (UDHA) and Implementing Rules and Regulations (IRR);
- (4) Implement the conduct of pre-relocation and post-relocation activities for national government programs and projects in accordance with Section 28 of RA 7279 (UDHA) and IRR;
- (5) Coordinate with the local housing board or any special body on housing or urban poor concerns within the local government units and other concerned agencies on the pre-relocation and post-relocation activities in accordance with Section 28 of RA 7279 (UDHA) and its IRR;
- (6) Monitor compliance with the balanced housing requirement under RA 7279 (UDHA) and IRR;
- (7) Coordinate with concerned agencies and the local government units in the formulation, development and implementation of an information system that will provide the government and the general public with timely, accurate, and reliable data on the underprivileged and homeless citizens;
- (8) Administer, through the regional offices, homeless assistance advances/grants to LGUs and NGOs and private communities for temporary and emergency housing, as well as building renovation, improvements, in coordination with the Department of Social Welfare and Development; and
- (9) Administer the amortization support component of the abot-kaya pabahay fund, and other similar funds;
- (10) institute measures such as but not limited to the setting up of an LGU-led Anti-Squatting Task Force to detect and thwart squatting and to address such other concomitant problems as rural-to-urban migration;

- 1 (11) Monitor the implementation of projects and programs under its jurisdiction;
2 (12) Perform such other related functions as may be assigned to it by the secretary.

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

6 The services shall perform the following functions:

7 **(a) Planning and Management Service**

- 8 (1) Formulate, update, and ensure the implementation of an integrated national
9 housing and urban development framework that will provide policy directives,
10 guidelines, strategies, and support mechanisms for active multi-sectoral
11 participation;
12 (2) Conduct continuing comprehensive studies and research on housing and urban
13 development necessary for policy and program review and formulation;
14 (3) Develop and provide legal, regulatory, and supervisory frameworks that
15 promote the development of a sustainable market-oriented housing finance
16 system to ensure the adequate flow of private funds into the primary and
17 secondary mortgage markets; and
18 (4) Develop clearly-defined, transparent, and well-targeted housing subsidy
19 mechanisms to enhance access by low-income housing beneficiaries.
20 (5) Establish and maintain a management information system and sub-systems for
21 monitoring and evaluating Department-wide programs and projects, including
22 those that are executed by operating bureaus and offices;
23 (6) Manage and maintain a housing and urban development data bank to include a
24 shelter indicator system, beneficiary profile, and other national database on
25 shelter and urban development;
26 (7) Formulate policies, plans, and procedures for data control and systems
27 management;
28 (8) Act as the central repository of existing and future computer files;
29 (9) Maintain and operate the Department's library; and
30 (10) Establish and maintain a viable information network with other government
31 agencies and instrumentalities.

32 **(b) Administrative and Financial Service**

- 33 (1) Provide the department with economical, efficient, and effective services
34 relating to personnel, communication, procurement, supplies, equipment,

1 transportation services, collections, disbursement, security, and property
2 management; and

3 (2) Conduct in-house training.

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

6 **(c) Legal Service**

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

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

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

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

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

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

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

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

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

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

33 **SEC. 15. *Functions of the Regional Directors and Regional Offices.*** - While
34 program bureaus exercise technical supervision functions over regional counterparts,

1 the Regional Director shall be the responsible line official for all Department
2 programs in the administrative region. The Regional Director shall be appointed by
3 the President and shall report to the Secretary.

4 The Regional Office shall perform the following functions:

- 5 (a) Ensure that Department program-goals are met and that programs are
6 implemented in accordance with the duly-adopted policies, standards and
7 guidelines;
- 8 (b) Ensure the consistency between the overall regional development goals and
9 programs and the National Urban Development Strategy and between
10 Department programs and regional plans of other government agencies;
- 11 (c) Directly manage and implement Department programs in the immediate
12 geographic area;
- 13 (d) Direct and evaluate the performance of field offices in the region;
- 14 (e) Monitor, investigate, and assess compliance with approved subdivision and
15 condominium plans, endorse and recommend the filing of appropriate charges
16 for violations thereof;
- 17 (f) Coordinate with the LGUs with regard to their local urban development, land
18 use and shelter plans, and provide the necessary technical assistance on
19 devolved powers related to housing and urban planning as mandated by the
20 Local Government Code and other related laws;
- 21 (g) Administer the registration of homeowners' associations and condominium
22 corporations;
- 23 (h) Undertake the issuance of Certificates of Registration and Licenses to Sell for
24 condominium and subdivision projects, and collect fees for the purpose;
- 25 (i) Advise and coordinate the plans and programs of the Regional and Field
26 offices of the attached agencies and corporations; and
- 27 (j) Perform such other functions as may be provided for by law and by the
28 Secretary.

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

33 The field director shall maximize his/her detail in the areas under jurisdiction
34 by closely coordinating with the local planning officer, the pertinent sanggunian

committee, the Urban Poor Affairs Office (UPAO); and the local housing boards, if any, for program monitoring, implementation, and enforcement.

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 general 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);
- (c) National Home Mortgage Finance Corporation (NHMFC);
- (d) Home Development Mutual Fund (HDMF)
- (e) Housing and Land Use Regulatory Board (HLURB), hereby renamed the Housing And Urban Development Adjudication Commission (HUDAC);

Any and all exemptions from the compensation and position classification provided for under Republic Act No. 6758, otherwise known as the "Compensation and Position Classification Act of 1989" which were previously granted to any and all of the above-mentioned attached agencies and corporations, are hereby withdrawn.

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, NHA, NHMFC, 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

- 1 Finance as Vice-Chairman, and the following as members: the President of the
2 HGC, the Director-General of the NEDA, and three (3) others to be appointed
3 by the President of the Philippines, who shall serve for a term of five (5) years:
4 *Provided, That* the person appointed shall be of good moral character, of
5 unquestionable integrity, of known probity and patriotism, and with expertise
6 and experience of at least ten (10) years in business, finance, and in their
7 professions: *Provided, Further, That* in the event of a vacancy, the successor
8 appointed to fill the said vacancy shall serve only the unexpired portion of the
9 term of the member he succeeds.
- 10 (b) ***National Housing Authority (NHA)***. The Board of Directors of the NHA
11 shall be composed of the Secretary as Chairman, the General Manager of the
12 Authority as Vice-Chairman, and the following as members: the Secretary of
13 the Department of Interior and Local Government, the Chairman of the
14 National Anti-Poverty Commission, the Chief Executive Officer of the
15 NHMFC and two (2) others to be appointed by the President of the
16 Philippines, one of whom shall represent the real estate and housing industry
17 and the other shall represent of NGOs or POs.
- 18 (c) ***National Home Mortgage Finance Corporation (NHMFC)***. The Board of
19 Directors of the NHMFC shall be composed of the Secretary as Chairman, the
20 Chief Executive Officer of the NHMFC as Vice-Chairman, and the following
21 as members: the Administrator of the SSS, the General Manager of the GSIS,
22 the Chief Executive Officer of the HDMF, and two (2) others to be appointed
23 by the President of the Philippines, one of whom shall represent the real estate
24 and housing industry and the other shall represent of NGOs or POs.
- 25 (d) ***Home Development Mutual Fund (HDMF)***. The Board of Trustees of the
26 HDMF shall be composed of the Secretary as Chairman, the Secretary of the
27 Department of Finance (DOF) as Vice-Chairman, and the following as
28 members: the Secretary of Department of Budget and Management (DBM),
29 the Secretary of the Department of Labor and Employment (DOLE), the Chief
30 Executive Officer of the HDMF, two (2) representatives of private employees,
31 two (2) representatives of private employers, one (1) representative of
32 government employees, and one (1) representative of the real estate and
33 housing industry.

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

7 CHAPTER IV

8 REAL ESTATE ADJUDICATION COMMISSION.

9 SEC. 20. *Renaming Housing and Land Use Regulatory Board.-* The
10 Housing and Land Use Regulatory Board is hereby renamed and reconstituted as
11 HOUSING AND URBAN DEVELOPMENT COMMISSION (HUDAC), which shall
12 be attached to the Department for program and policy coordination and administrative
13 supervision.

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

16 The Commission shall be composed of a chairman and eight (8) full-time
17 members to be appointed by the president, majority of whom shall be members of the
18 Philippine bar while the others shall have a background or experience in urban
19 development planning, management, architecture, civil engineering, or other related
20 fields. The chairman shall have the rank of a Commission Chairman IV while the
21 commissioners shall each have the rank of a Commission Member IV. They must
22 have been engaged in the practice of their respective professions or specialization or
23 employed in an appropriate office for a period of at least five (5) years. In addition, no
24 person who has been convicted of a crime involving moral turpitude shall be
25 appointed as a chairman or a member of the Commission.

26 The incumbent full-time commissioners of the present HLURB shall remain in
27 office unless they opt to avail of the retirement and separation benefits provided in
28 Sec. 38 of this Act or are sooner removed for cause.

29 Upon expiration of their terms, they shall be entitled to retire under existing
30 laws, if they are so qualified to retire thereunder, or to receive a compulsory
31 retirement gratuity equivalent to the total of two (2) times their basic salary as
32 commissioner, for every year of service, whichever is higher.

33 The Commission may sit en banc or in three (3) divisions, each composed of
34 three (3) members. The Commission shall sit en banc only for purposes of

1 promulgating rules and regulations governing the hearing and disposition of cases
2 before any of its divisions and regional branches, hearing and disposition of motions
3 for reconsideration and formulating policies affecting its administration and
4 operations. The Commission shall exercise its adjudicatory and all other powers,
5 functions, and duties through its divisions; provided that the commission sitting en
6 banc may, on temporary or emergency basis, allow cases within the jurisdiction of
7 any division to be heard and decided by any other division whose docket allows the
8 additional workload and such transfer will not expose litigants to unnecessary
9 additional expense.

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

15 The conclusions of a division on any case submitted to it for decision shall be
16 reached in consultation before the case is assigned to a member for the writing of the
17 decision. It shall be mandatory for the division to meet for purposes of the
18 consultation ordained herein. A certification to this effect signed by the presiding
19 commissioner of the division shall be issued and a copy thereof attached to the record
20 of the case and served upon parties.

21 The Commission, when sitting en banc shall be assisted by the executive clerk
22 and, when acting thru its divisions, by the division executive clerks in the
23 performance of such similar or equivalent functions and duties as are discharged by
24 the Clerk of Court and Deputy Clerks of Court of the Court of Appeals.

25 **SEC. 21. Term and Compensation.** The members of the HUDAC shall be
26 appointed for a term of six (6) years without reappointment. appointment to any
27 vacancy shall be only for the unexpired term of the predecessor and shall receive the
28 same salaries and emoluments of a Commissioner of the National Labor Relations
29 Commission (NLRC).

30 **SEC. 22. Power and Authority of the Commission.** - In the exercise of its
31 judicial functions, the HUDAC shall be governed by the principles of justice, equity
32 and fairness. It shall act as an impartial and independent tribunal and shall render
33 judgment in accordance with law, evidence, and merit of the case. In particular, the
34 HUDAC shall have the following powers and authorities:

- 1 (a) Promulgate rules and regulations governing the hearing and disposition of
2 cases filed before it and those pertaining to its internal functions and such
3 other regulations as may be necessary to carry out the purposes of this Act;
4 *Provided, That* it shall not be bound by technical rules of procedure but shall
5 proceed to hear and decide all cases, disputes or controversies in a most
6 expeditious manner, employing all reasonable means to ascertain the facts of
7 every case including conducting clarificatory hearing, if necessary, in
8 accordance with justice, equity, and merit;
- 9 (b) Exercise exclusive appellate jurisdiction over all cases decided by the housing
10 and urban development arbiters. However, the secretary may assume
11 jurisdiction over any complaint or case and decide the same or certify such
12 case for decision by the commission if, in his opinion, he believes that the
13 controversy involves massive fraud or unsound business practices or critical
14 socio-economic or environmental considerations that has serious potential
15 impact on the interests of the sector of the general welfare;
- 16 (c) Administer oaths, summon the parties to a controversy, issue subpoenas
17 requiring attendance and testimony of witnesses or the production of such
18 books, papers, contracts, records, agreements, and other documents of similar
19 nature as may be material to a just determination of the matter under
20 investigation or hearing conducted in pursuance under this Act;
- 21 (d) Issue cease and desist orders, preliminary or permanent injunctions, whether
22 prohibitory or mandatory, in all cases in which it has jurisdiction, and in which
23 the pertinent provisions of the rules of civil procedure shall apply;
- 24 (e) Hold any person in contempt, directly or indirectly, and impose appropriate
25 penalties therefor;
- 26 (f) Impose administrative fines and/or penalties for violation of this Act, R.A. No.
27 7279, and other laws implemented by the HUDAC, including pertinent rules
28 and regulations, orders, decisions, and/rulings; *Provided, That* the maximum
29 imposable, fines or penalties shall not exceed Five Hundred Thousand Pesos
30 (Php 500,000);
- 31 (g) To establish offices to cover as many provinces and cities, whenever and
32 wherever it may be expedient, necessary and feasible;
- 33 (h) Deputize any law enforcement agency in the execution of its final orders,
34 rulings or decisions.

- 1 (i) Directly utilize income generated from fees, fines, charges and other
2 collections in the performance of its functions to defray operating expenses
3 and provide allowances for its personnel;
- 4 (j) Issue writs, orders to execute demolition, or seizure or closure of property in
5 accordance with its decision.
- 6 (k) Exercise such other powers as implied, necessary, or incidental to the carrying
7 out the express powers granted to the HUDAC or to achieve the objectives and
8 purposes of this Act, and other laws implemented by the Commission.

9 The Chairman, aided by the Executive Clerk Court IV shall have
10 administrative supervision over the commission and its regional branches and all its
11 personnel including the Housing and Urban Development Arbiters.

12 **SEC. 23. Jurisdiction of the Housing and Urban Development Arbiters.-**

13 The Housing and Urban Development Arbiters shall have original and exclusive
14 jurisdiction to hear and decide cases of the following nature:

15 **(a) On Real Estate**

- 16 (1) Unsound and fraudulent real estate business practices;
- 17 (2) Claims for refund against project owners, developers, dealers, brokers, or
18 salespersons;
- 19 (3) Specific performance of contractual and statutory obligations filed by buyers
20 of subdivision lots or condominium units against the owner, developer,
21 dealer, broker, or salesperson;
- 22 (4) Squatting on subdivision lots;
- 23 (5) Disputes involving buyer-financing agreements with any financing
24 institution for condominium/subdivision projects;
- 25 (6) Easements or rights of way affecting or involving subdivision and
26 condominium projects;
- 27 (7) Disputes between: (i) landowners and developers, and (ii) banks and
28 developers, whenever the interest of buyers of subdivision lots, or house and
29 lots, or condominium units are involved;
- 30 (8) Partial redemption and release of mortgage titles of subdivision lots and
31 condominium units;
- 32 (9) Disputes involving easements of waterways, drainage, connections to public
33 utilities, and light and view affecting subdivision and condominium projects;

- 1 (10) Disputes involving homeowners' associations and condominium
2 corporations, whether intra-corporate or inter-corporate;
- 3 (11) Claims of brokers and/or salespersons for unpaid commissions for sales of
4 condominium and/or subdivision projects and all other real estate brokerage
5 transactions;
- 6 (12) Disputes between lessors and lessees affecting subdivision and
7 condominium units;
- 8 (13) Cases filed by subdivision or condominium owners or developers and
9 mortgage financing institutions against lot or unit buyers for collection of
10 unpaid amortizations; and
- 11 (14) Other related cases arising from contractual or statutory obligations of
12 owners, dealers, brokers, or salespersons towards lot or unit buyers.
- 13 **(b) *On Housing and Land Use Planning and Regulation***
- 14 Complaints in areas without local zoning administrators and/or local zoning
15 boards of appeals involving (i) opposition to any land use or development
16 project; and (ii) petitions for recall or revocation of the grant by a local
17 government official of any zoning or locational clearance permit, both on the
18 ground that the same is violative of land use planning laws and/or zoning
19 ordinances.
- 20 **(c) *On Shelter Rights***
- 21 (1) Violations of the provisions of the Urban Development and Housing Act
22 (RA 7279), including but not limited to the following:
- 23 1.1 Just and humane eviction/demolition procedure under Section 28
24 and pertinent implementing rules and regulations;
- 25 1.2 Prohibition against professional squatters and squatting syndicates
26 under Section 27 and pertinent implementing rules and regulations;
- 27 1.3 Inventory of lands under Section 7 and pertinent implementing
28 rules and regulations;
- 29 1.4 Identification of sites for socialized housing under Section 8 and
30 pertinent implementing rules and regulations;
- 31 1.5 Limitations on the disposition of land for socialized housing under
32 Section 14 and pertinent implementing rules and regulations;
- 33 1.6 Registration of socialized housing beneficiaries under Section 17
34 and pertinent implementing rules and regulations; and

1.7 Balanced housing development under Section 18 and pertinent rules and regulations.

- (2) All ejectment cases where the party defendants are underprivileged and homeless citizens as defined by the UDHA (RA 7279) or a duly registered association whose members are underprivileged and homeless citizens as defined by the UDHA (RA 7279).

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

SEC. 25. *Housing And Urban Development Arbiters, Qualifications and Compensation.* The Secretary, upon recommendation of the chairman of the commission, shall appoint housing and urban development arbiters as the needs of the service may require for each administrative region. No person shall be appointed housing and urban development arbiters unless he has been a member of the Philippine bar for at least five (5) years with at least two (2) years experience or exposure in the field of housing, real estate and/or land use planning and zoning.

The Housing And Urban Development Arbiters shall receive an annual salary and be entitled to the allowances and benefits equivalent to the salaries, allowances and benefits of labor arbiters of the national labor relations commission.

SEC. 26. *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 process of the commission.

SEC 27. *Appearances.* - A lawyer appearing for a party is presumed to be properly authorized for that purpose. A non-lawyer may appear before the HUDAC or the Housing Urban Development 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. 28. *Appeals.* - Decisions, awards or orders of the Housing Urban Development Arbiter shall be final and executory unless appealed to the HUDAC 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. 29. *Prohibition Against Restraining Order or Injunction.* –No court of the Philippines except the Supreme Court and Court of Appeals shall have jurisdiction to issue any restraining order or writ of preliminary or permanent injunction against the HUDAC 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. 30. *Pending Cases.* - All cases pending in court not within the original and exclusive jurisdiction of the former HLURB as defined under P.D. No. 957 as amended by E.O. 648 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 HUDAC.

CHAPTER V

PUBLIC ESTATES AUTHORITY

SEC. 31. *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. 32. *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

1 qualified members of these institutions may avail of. For this purpose, the IIDMF,
2 SSS and GSIS shall provide annually the maximum limit of their investible funds for
3 their housing programs. Any provision to the contrary notwithstanding, the integrity
4 and character of the funds of the SSS, GSIS, and IIDMF for the benefit of its
5 members shall not be prejudiced.

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

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

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

16 **SEC. 33. *Social Housing Fund.*** - There is hereby established a Social
17 Housing Fund (SHF) composed of the following fund sources:

- 18 (a) Amounts provided for socialized housing under the annual General
19 Appropriations Act;
20 (b) 50% of the 12% of all the proceeds of any sale, after deducting all expenses
21 related to the sale, portions of military camps as provided in Republic Act No.
22 7227, as amended;
23 (c) Loans, grants, bequests and donations, whether from local or foreign sources;
24 (d) Proceeds from forfeited customs bonds; and
25 (e) Ten percent (10%) of the mandatory annual contributions of the Philippine
26 Charity Sweepstakes Office (PCSO) to the charity fund as provided for in
27 Section 6 of R.A. No. 1169 shall be channeled to this fund.

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

- 31 (a) The SHF shall be administered by the Department and shall be allocated solely
32 for housing programs for the low-income group of the informal sector such as
33 squatter relocation, sites and services program, urban renewal, rental housing,
34 land banking, and livelihood assistance programs in resettlement areas. The

1 programs and projects that will be funded under said Fund and the
2 implementing bureau or agency shall be determined by the Department.

3 CHAPTER VII

4 TRANSITORY PROVISIONS

5 **SEC. 34. *Transfer of Powers and Functions.***- Within six (6) months after the
6 approval of this Act, the powers and functions of the HUDCC shall be transferred to
7 the Department . The foregoing transfer of powers and functions shall include all
8 applicable funds and appropriations, records, equipment, property, and personnel as
9 may be necessary. The same shall apply to agencies and government units which have
10 not been abolished but whose functions have been transferred to the Department
11 except the assets, pertinent funds, records, property, equipment and personnel of the
12 housing and land use regulatory board needed for adjudicatory and related support
13 functions. All purely governmental functions being performed by the HLURB shall
14 be transferred to the Department. Likewise, all existing powers and functions of
15 these agencies in their charters which are inherent and incidental to their corporate
16 mandates shall be retained with the concerned agencies.

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

19 **SEC. 35. *Transfer of Rights, Assets, and Liabilities.*** - The Department shall,
20 by virtue of this Act, be subrogated to all rights and assume all the liabilities of the
21 HUDCC and all other agencies, or government units whose functions and powers
22 have been transferred to the Department, and all their funds, records, property, assets,
23 equipment and such personnel, as may be necessary, including unexpended
24 appropriations and/or allocations except the assets, pertinent funds, records, property,
25 equipment and personnel of the Housing and Land Use Regulatory Board needed for
26 adjudicatory and related support functions. All contracts and liabilities of the said
27 offices are hereby transferred to and assumed by the Department and shall be acted
28 upon in accordance with the Auditing Code and other pertinent laws, rules, and
29 regulations: *Provided, That* existing officers and employees of said
30 agencies/corporations, shall continue to assume their posts in holdover capacity until
31 their new appointments are issued.

32 **SEC. 36. *Rationalization or Transfer of Functions of Attached or Related***
33 ***Agencies.*** - The land use planning and enforcement functions including monitoring
34 and issuance of licenses and permits of the HLURB as provided for under Section 5a.

1 5b, 5c, 5d, 5g and 5h of Executive Order No. 648 and similar provisions in Executive
2 Order No. 90; the implementation of the pre-relocation and post-relocation activities
3 mentioned in Sec. 12 (e) 4 of this Act, as provided for in Section 28 of R.A. No. 7279;
4 and the powers, authorities and responsibilities vested in the HLURB with respect to
5 the registration of homeowners' associations as provided for under Section 26 of
6 R.A. No. 8763 shall be transferred to the Department.

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

17 The Oversight Committee shall be composed of the following:

- 18 (a) The Chairpersons of the Senate Committee on Housing, Resettlement, and Urban
19 Planning, and the House Committee on Government Reorganization, as co-
20 Chairpersons; and
21 (b) The Chairpersons of the Senate Committee on Finance and the House Committee
22 on Housing and Urban Development, the House Committee on Government
23 Enterprises and Privatization, and the House Committee on Appropriations, as
24 members.

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

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

CHAPTER VIII

FUNDING

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

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

CHAPTER IX

MISCELLANEOUS AND FINAL PROVISIONS

29 **SEC. 41. *Social Housing One Stop Processing Centers.*** - For purposes of
30 socialized, low-cost, economic and middle-income housing development, the
31 Department shall establish Social Housing One-Stop Processing Centers (SHOPC's) in
32 the regions, which shall centralize the processing and issuance of all required permits,
33 clearances and licenses. *Provided, That* for the foregoing purpose, the respective
34 ceilings for socialized, low cost/economic and middle-income housing shall be jointly

1 determined by the Department and the NEDA: *Provided, Further, That* at any time,
2 but not more often than once every two (2) years, such ceilings may be reviewed or
3 revised to conform to prevailing economic conditions. All agencies involved in the
4 issuance of said permits, clearances and licenses shall be represented in the SHOPC
5 and shall assign to SHOPC regional centers personnel who shall be sufficiently
6 authorized to process and issue the same.

7 **Sec. 42. Identification and Designation of Lands for Housing and Urban**

8 **Development** – The Department of Housing and Urban Development (DHUD), the
9 Department of Agrarian Reform (DAR) and the Department of Agriculture (DA)
10 shall, within ninety (90) days from effectivity of this act, jointly identify agricultural
11 lands which under R.A. 6657, otherwise known as the comprehensive agrarian reform
12 law, and other existing laws, rules and regulations are already exempted from
13 conversion requirements and which can be devoted for housing and urban
14 development purposes: *provided*, that the list shall exclude lands that are declared as
15 non-negotiable for or protected from conversion under existing laws and issuances
16 and those lands covered under R.A. 6657; *provided further*, that the designation of
17 lands for housing and urban development purposes shall neither prejudice the rights of
18 qualified beneficiaries under R.A. 6657 nor undermine the protected agricultural areas
19 intended to ensure the attainment of food security under R.A. 8435, otherwise known
20 as the Agriculture and Fisheries Modernization Act (AFMA) and other existing laws;
21 *provided finally*, that in the case of lands exempted from conversion and those whose
22 application for conversion has been approved by DAR, the applicant shall be allowed
23 to proceed with any horizontal or vertical development without need for any prior
24 clearance or approval from the DAR or DA consistent with the terms of the approved
25 order of conversion.

26 **SEC. 43. Creation Of An Advisory Committee.** - The department, within
27 thirty (30) days from the effectivity of this act, an advisory committee consisting of
28 key representatives from the urban poor organizations and other marginalized groups,
29 non-government organizations, academe, private sector, local government, the
30 Presidential Commission for the Urban Poor (PCUP), and national government
31 agencies shall be created to provide a forum for broader sector participation and
32 dialogue on key housing and urban development issues and policies. The
33 representatives of the urban poor and other marginalized groups shall be selected by
34 their respective National Anti-Poverty Commission (NAPC) Sectoral Councils.

1 **SEC. 44. *Disclosure and Divestment of Financial Interest.*** – Before
2 assumption into office, the Secretary, the Undersecretary, and the Assistant
3 Secretaries shall submit to the CSC a list of all companies, partnerships or business
4 enterprises, including non-profit organizations, in which they or any immediate
5 member of their families within the second degree of consanguinity or affinity, have
6 any form of financial interest or employment relationship, including consultancy:
7 *Provided, However, That* all other forms of employment relationship held by the
8 heads of the Offices of the Department shall be immediately terminated upon
9 assumption into office.

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

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

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

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

32 **SEC. 46. *Mandatory Review Two Years After The Enactment Of This Act.-***
33 The Department shall review the charters and mandates of attached agencies and
34 corporations and recommend the necessary legislation to insure consistency with the

1 policy of this Act and avoid duplication of functions or any other dysfunction among
2 the attached agencies and corporations

3 **SEC. 47. *Formulation of the Implementing Rules and Regulations*** - Within
4 three (3) months after the approval of this Act, the President shall convene an Inter-
5 Agency Committee that shall formulate and issue the appropriate rules and
6 regulations necessary for the efficient and effective implementation of any and all
7 provisions of this Act, including applicable existing housing laws, formation of
8 homeowners association to manage subdivision and condominium projects and
9 availment of loans on terms easily affordable to all.

10 The Committee shall be composed of the following:

- 11 (a) The Secretary of the Department of Housing and Urban Development, as
12 Chairman;
- 13 (b) The Secretaries of DOF, DILG, DAR, and DENR;
- 14 (c) The heads of the GSIS, SSS, NHIA, NHMFC, REAC, HDMF, and HGC;
- 15 (d) The Chairpersons of the Senate Committees on Finance and Housing,
16 Resettlement, and Urban Planning; and the House Committees on Government
17 Reorganization, Housing and Urban Development, Government Enterprises
18 and Privatization, and Appropriations;
- 19 (e) Two (2) representatives each from the dominant urban poor organization and
20 NGOs, to be appointed by the Chairpersons of Joint Congressional
21 Committee, and
- 22 (f) Two (2) representatives each from the respective organizations of real estate
23 brokers, real estate appraisers, and real estate consultants.

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

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

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

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

6 Approved.