

Republic of the Philippines
House of Representatives
Quezon City

15th Congress

1st Regular Session

House Bill 1231

Introduced By Winston Castelo

Explanatory Note

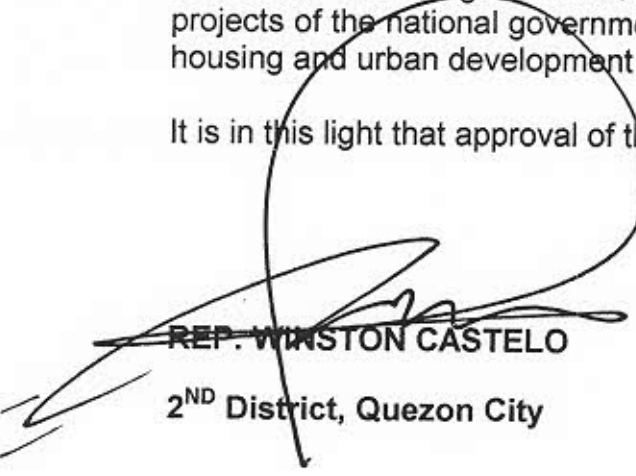
Decent, affordable housing – one of the people's most basic of needs but unfortunately, rarely cheap and mostly unavailable. The combined efforts of government housing agencies as well as the private sector seem to be futile in meeting the demands for housing units. The proliferation of colonies of informal settlers in urban areas is a proof of that the law of supply and demand is not in the balance. Such is the lack of housing that even railroad tracks, riverbanks and floodways and the dangers that they entail do not pose a hindrance to our poor countrymen from building their houses there.

The Constitution, Article 13, Section 9 reads:

"Sec. 9. The State shall, by law, and or the common good, undertake in cooperation with the private sector, a continuing program, of urban land reform and housing which will *make* available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners."

While the national government and its housing instrumentalities have not neglected their duties, the country needs to develop a holistic approach to the housing sector. It should have a department that is focused on the housing sector alone and that would coordinate and integrate all housing and development policies, programs, plans and projects of the national government and ultimately, the delivery of decent and affordable housing and urban development projects. This bill seeks to answer such need.

It is in this light that approval of this bill is earnestly sought.



REP. WINSTON CASTELO

2ND District, Quezon City

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OMNIBUS HOUSING AND URBAN DEVELOPMENT ACT

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

CHAPTER 1
GENERAL PROVISIONS

SECTION. 1. Title. – This Act shall be known as the “Omnibus Housing and Urban Development Act of 2010”.

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 nontraditional 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 (LGUs) more power, authority, responsibility and resources; and
- (e) Encourage greater government-private sector partnership and more effective peoples' participation in shelter delivery and urban development by institutionalizing their involvement in the planning and implementation 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) “*Agricultural land conversion*” refers to the undertaking of any activity that will modify or alter the physical characteristics of agricultural lands to render them

suitable for nonagricultural purposes with an approved order of conversion from the Secretary of the Department of Agrarian Reform (DAR).

(b) "*Homeless and underprivileged*" refers to the beneficiaries of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act" (UDHA), 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.

(c) "*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.

(d) "*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 of mortgages, securities and other assets.

(e) "*Socialized housing*" refers to housing programs and projects covering houses and lots or home lots only undertaken by the government or private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of this Act and to housing packages that are priced up to the loan ceiling as may be set or prescribed by the Department of Housing and Urban Development (DHUD) created hereunder.

(f) "*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.

(g) "*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.

(h) "*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 with the participation of the private sector, which shall include the business sector as well as people's organizations (POs), nongovernment organizations (NGOs) and cooperatives, a continuing comprehensive, affordable and sustainable housing program;

(c) Establish a sustainable housing finance system that ensures affordable housing through low down payment, long-term financing and low interest rate;

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

(e) Encourage participation of all stakeholders in housing and urban development, such as LGUs, NGOs, POs, cooperatives and the business 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 and habitability of housing.

CHAPTER II THE DEPARTMENT PROPER

SEC. 5. *Creation of the DHUD.* – To carry out the above-declared policy, there is hereby created a DHUD, 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 development plans and guidelines on land use, 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 social 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, and in a just and humane manner;
- (e) Supervise all corporations and agencies attached to the Department namely: the Home Guaranty Corporation (HGC), the National Housing Authority (NHA), the National Home Mortgage Finance Corporation (NHMFC), the Home Development Mutual Fund (HDMF), the Public Estates Authority (PEA), the Housing and Land Use Regulatory Board (HLURB), and the Presidential Commission for the Urban Poor (PCUP) 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;
- (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) Develop and establish a sector performance monitoring, assessment and reporting mechanism to enable continuing improvements in sector policy and strategy formulation;
- (i) Provide technical assistance and information to assist LGUs in developing solutions to problems on housing, community, and urban development and/or renewal;
- (j) 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;
- (k) 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;
- (l) Call on other agencies or instrumentalities of the government and private entities for cooperation and assistance in the performance of its functions;
- (m) 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;

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

(o) 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;

(p) 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;

(q) 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 urban development to be extended through multilateral or bilateral assistance programs;

(r) 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

(s) 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, the 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;

(b) 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;

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

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

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

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

(g) Review existing rules and regulations governing financing schemes, homeowners' associations and other issues attendant to the different shelter programs and projects, with the end in view of ensuring their effectiveness and efficiency; and

(h) 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 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 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) Settlements and Social Housing Bureau. The bureaus shall each have a research and development unit. The bureaus shall coordinate with the concerned corporations, which shall be attached to the Department for policy and program coordination as provided for in Section 17 of this Act, in the performance of the following functions:

(A) Financial and Institutional Development Bureau

- (1) Provide fiscal and financial incentives to LGUs, the business sector, cooperatives, 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 social 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 and 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) Monitor the implementation of projects and programs under its jurisdiction; and
- (8) Perform such other related functions as may be assigned to it by the Secretary.

(B) Urban Development Bureau

- (1) Coordinate with the PEA and the concerned LGUs 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;
- (2) Assist the LGU in undertaking a rational, well-balanced, orderly and efficient redevelopment or renewal of existing urban communities;
- (3) Assist in the formulation and updating of national objectives for housing and urban development, specifically the National Urban Development Framework;
- (4) Monitor the implementation of projects and programs under its jurisdiction; and
- (5) 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) Accredited, promote and encourage the development and utilization of innovative housing technology that can reduce the cost of housing to make it 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) Settlements and Social Housing Bureau

- (1) Ensure that relevant government housing programs shall make available to the lowest thirty percent (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 provisions, slum upgrading and provision of security 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 and local government projects which will involve the eviction or demolition of structures of homeless and underprivileged citizens in accordance with Republic Act No. 7279 (UDHA) and its implementing rules and regulations (IRR);
- (4) Develop social housing programs for adoption by government housing agencies and/or LGUs;
- (5) Coordinate with the local housing board or any special body on housing or urban poor concerns within the LGUs and other concerned agencies on the implementation of government socialized housing policies and programs;
- (6) Monitor compliance with the balanced housing requirement under Republic Act No. 7279 (UDHA) and its IRR;
- (7) Coordinate with concerned agencies and the LGUs 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, NGOs, cooperatives and private communities for temporary and emergency housing, as well as building renovation, improvements, in coordination with the Department of Social Welfare and Development (DSWD);
- (9) 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;
- (10) Monitor the implementation of projects and programs under its jurisdiction; and
- (11) 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 social housing finance system to ensure the adequate flow of private funds into the primary and secondary mortgage markets;
- (4) Develop clearly defined, transparent and well-targeted housing subsidy mechanisms to enhance its accessibility to low-income housing beneficiaries;
- (5) Establish and maintain a management information system and subsystems 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;
- (2) Conduct in-house training; and
- (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 advice, 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 interagency 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 advice/assistance to other offices of the Department.

SEC. 14. *Regional Offices.* – Consistent with the requirements of economy and efficiency, there shall be established, on a need basis, regional offices, which shall be headed by regional directors: *Provided*, That they are established in accordance with the regional 1 staffing 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 the 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) Monitor, investigate and assess compliance with approved subdivision and condominium plans, endorse and recommend the filing of appropriate charges for violations thereof;
- (e) Coordinate with the LGUs with regard to their local urban development, land use and shelter plan, 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;
- (f) Coordinate the plans and programs of the regional offices of the attached agencies and corporations; and
- (g) Perform such other functions as may be provided for by law and by the Secretary.

SEC. 16. *Relationship of the Regional Offices with the Attached Corporations and/or Agencies and the LGUs.* – The relationship of the regional offices of the Department with its attached corporations, the HLURB and the LGUs, shall be purely coordinative.

CHAPTER III ATTACHED CORPORATIONS AND/OR AGENCIES

SEC. 17. *Attached Corporations and/or Agencies and their Functions.* – Any provision of law or their respective charters to the contrary notwithstanding, the following are hereby attached to the Department for policy and program coordination:

- (a) Home Guaranty Corporation (HGC);
- (b) National Housing Authority (NHA);
- (c) National Home Mortgage Finance Corporation (NHMFC);
- (d) Home Development Mutual Fund (HDMF);
- (e) Public Estates Authority (PEA); and
- (f) Presidential Commission for the Urban Poor (PCUP).

The HLURB is likewise attached to the Department for administrative supervision.

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. Any provision to the contrary notwithstanding, the integrity and character of PAG-IBIG funds for the benefit of its members shall not be prejudiced. Any provision of law or the respective charters of the abovementioned corporations and agencies to the contrary notwithstanding, the Secretary shall, in a concurrent capacity, be the *ex officio* chairman

of the respective boards of the HGC, the NHA, the NHMFC, the HDMF, the PEA, the HLURB and the PCUP.

CHAPTER IV PUBLIC ESTATES AUTHORITY

SEC. 18. *Public Estates Authority (PEA).* – In addition to the existing mandate of the PEA created under Presidential Decree No. 1084, as amended by Executive Order No. 525, (series of 1979) and Executive Order 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 and the local government concerned, 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. All succeeding issuances after the ratification of the Freedom Constitution in 1987 are hereby automatically rescinded. All reclaimed lands except those to be specifically devoted for public use and public purpose shall henceforth be considered patrimonial lands.

CHAPTER V TRANSITORY PROVISIONS

SEC. 19. *Abolition of the HUDCC and Transfer of its Powers and Functions.* – The HUDCC is hereby abolished. Within six 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. All *ex officio* functions of the chairman of the HUDCC are likewise transferred to the Secretary.

SEC. 20. *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, in accordance with the Auditing Code and other pertinent laws, rules and regulations.

SEC. 21. *Separation Incentive Package (SIP).* – Permanent officials and employees of the HUDCC and all attached agencies and corporations who elect to leave government service, or who prefer to retire, shall be entitled to a SIP equivalent to the following:

- (a) One and a half months of the basic salary for every year of government service and a fraction thereof for those who have rendered fifteen (15) years and below;
- (b) Two months of the basic salary for every year of government service and a fraction thereof for those who have rendered sixteen (16) years to thirty (30) years of service; and
- (c) Three months of the basic salary for every year of government service and a fraction thereof, for those who have rendered thirty-one (31) years of service and more. In computing the number of years of service rendered, a fraction of more than six months shall be considered equivalent to one year of service. The existing number of officials and employees of the HUDCC and the attached corporations and agencies shall not be increased and no new hiring shall be allowed until all of them have been properly placed. Those who opt to stay shall retain their remuneration and seniority. No official or personnel shall be dislocated and involuntarily separated. For the purpose of the SIP, there is hereby appropriated the necessary amount from any funds or resources of the HUDCC and the attached corporations and agencies. Any deficiency shall be automatically appropriated in the succeeding year's General Appropriations Act. If for any reason the fund for the SIP is inadequate, officials and employees who have opted to be separated but have not received their benefits may choose to stay or be reinstated and retain their previous remuneration and rank: *Provided*, That the option shall be exercised within three (3) years.

CHAPTER VI FUNDING

SEC. 22. Appropriations. – The amount needed for the initial implementation of this Act shall be charged against the current year's appropriation of the HUDCC. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

CHAPTER VII MISCELLANEOUS AND FINAL PROVISIONS

SEC. 23. Social Housing One-Stop Processing Centers (SHOPCs). – For purposes of socialized, low-cost, economic and middle-income housing development, as well as housing development by housing cooperatives, the Department shall establish 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 than once every two 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. 24. Identification and Designation of Lands for Housing and Urban Development. - For the purpose of designating lands for housing and urban development, the DHUD, the DAR and the Department of Agriculture (DA) shall, within one hundred eighty (180) days from the effectivity of this Act, jointly identify agricultural lands which under Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law, and other existing laws, rules and regulations are already exempted from conversion requirements: *Provided*, That the list shall exclude lands that are declared as nonnegotiable or protected from conversion under existing laws and issuances and those lands covered under Republic Act No. 6657: *Provided, further*, That the designation of lands for housing and urban development purposes shall neither prejudice the rights of qualified beneficiaries under Republic Act No. 6657, nor undermine the protected agricultural areas intended to ensure the attainment of food security under Republic Act No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) and other existing laws: *Provided, also*, That in the case of lands exempted from conversion though these have been approved by the DAR, if these are contested by affected individual or community beneficiaries, it shall not be allowed to proceed with any horizontal or vertical development without need for any prior clearance or approval from the DAR or the DA consistent with the terms of the approved order of conversion: *Provided, finally*, That all idle government lands in highly urbanized cities are hereby prioritized for housing and urban development purposes.

SEC. 25. Creation of an Advisory Committee. – Within thirty (30) days from the effectivity of this Act, an advisory committee consisting of key representatives from the urban poor organizations, cooperatives and other marginalized groups, NGOs, academic, business sector, local government, the PCUP and national government agencies shall be created to provide a forum for broader sector participation and dialogue on key housing and urban development issues and policies. The representatives of the urban poor, cooperatives and other marginalized groups shall be selected by their respective National Anti-Poverty Commission (NAPC) sectoral councils.

SEC. 26. Disclosure and Divestment of Financial Interest. – Before assumption into office, the Secretary, the undersecretaries and the assistant secretaries shall submit to the Civil Service Commission (CSC) a list of all companies, partnership or business enterprises, including nonprofit 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, firm 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. 27. Relationship with Other Government Departments. – The Department and its priority projects shall enjoy preferential attention from the DENR, the DAR, the DA, the Department of Justice (DoJ) and the LGUs, relative to the issuance of 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. 28. Mandatory Review Six Months 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 ensure consistency with the policy of this Act and avoid duplication of functions or any other dysfunction among the attached agencies and corporations.

SEC. 29. Formulation of the Implementing Rules and Regulations. – Within three 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, including applicable existing housing laws, formation of homeowners associations to manage subdivision and condominium projects, ownership and/or management by housing cooperatives of subdivision and housing projects and availment of loans on terms easily affordable to all. The inter-agency committee shall be composed of the following:

- (a) The Secretary of the DHUD, as chairman;
- (b) The Secretaries of the DILG, the DAR and the DA;
- (c) The heads of the NHA, the NHMFC, the HDMF, the HGC, the PEA, the HLURB and the PCUP;
- (d) The chairpersons of the Senate Committees on Finance and Urban Planning, Housing and Resettlement; and the House Committees on Housing and Urban Development, Government Reorganization and Appropriations;
- (e) Six representatives for the urban poor sector three from accredited POs and three from NGOs to be appointed by the chairpersons of the Joint Congressional Committee; and
- (f) Two representatives each from the respective organizations of real estate brokers, real estate appraisers and real estate consultants.

SEC. 30. Penal Provision. – The Department shall impose a maximum imposable fine for violations of its standards, rules and regulations which shall 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 years.

SEC. 31. *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. 32. *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. 33. *Effectivity.* – This Act shall take effect fifteen (15) days following its complete publication in at least two national newspapers of general circulation.

Approved,