

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. **5281**

Introduced by **Honorable Carmelo F. Lazatin**

EXPLANATORY NOTE

Article 13, Section 9 of the 1987 Constitution states that "The State shall, by law, and for 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".

The government, to fulfill this mandate, has established several agencies that focus mainly on housing, like the National Home Mortgage Finance Corporation (NHMFC), Home Guaranty Corporation (HGC), Home Development Mutual Fund or PAG-IBIG Fund, National Housing Authority (NHA) and the Housing and Land Use Regulatory Board (HLURB).

In spite of this, the country is still suffering from a serious housing problem with a backlog of at least four to five million housing units, mainly due to the slow bureaucratic process and the lack of coordination between concerned agencies.

This measure seeks to solve the perennial housing problem by streamlining the government's housing program through the creation of the Department of Housing, which will absorb the powers and functions of the NHMFC, HGC and HLURB, while retaining the NHA and HDMF for socialized housing.

In view of the foregoing, approval of this bill is earnestly sought.


CARMELO LAZATIN
First District, Pampanga

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AN ACT CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, DEFINING ITS POWERS AND FUNCTIONS AND STREAMLINING THE GOVERNMENT HOUSING PROGRAM

BE it enacted in the Senate and the House of Representatives in Congress assembled:

Sec. 1. Title: This act shall be known as "Department of Housing Act of 2011."

Sec. 2. Declaration of Policy: It is the duty of the State to provide affordable and quality homes to the people, as stated in Section 9, Article 13 of the 1987 Constitution.

Sec. 3: Creation of the Department of Housing and Urban Development: To fulfill the duty of the State, a Department of Housing is created with the following purposes, functions and powers:

- a. Formulate and implement policies for housing, planning, urban and rural development and rational land use;
- b. Implement low-cost housing program and social housing programs for deserving underprivileged citizens in urban and rural areas;
- c. Develop a continuing national housing, planning and urban development program based on properly identified needs and factors at the regional, provincial, city, municipal and barangay level;
- d. Supervise all corporation and agencies placed under the Department;
- e. Encourage participation of private sector and citizenry through housing cooperatives to help address the country's housing needs;

f. Develop a housing financial system that will promote and ensure the adequate flow of private funds into the primary and secondary capital markets for the developmental and end-user financing requirements of housing, planning and urban development;

g. Effect a single regulatory system that shall govern all activities related to housing in urban and rural areas, planning, urban development and land use;

h. Coordinate and monitor the development activities of local governments towards a more effective housing delivery, optimal land use and the balanced growth of urban and urbanizing communities in relation to demographic factors, productive capacities and natural resource endowments;

i. Assist local government by providing technical assistance and information to help develop solutions to problems on housing, planning, community and urban development and oversee its implementation;

j. Adopt and promulgate development standards and guidelines that shall govern land use plans and zoning ordinances of local governments and property development of the public and private sectors;

k. Exercise initiative and assume a lead role in coordinating, supervising and integrating all government activities relative to housing, planning, urban development and national land use.

l. Conduct continuing and comprehensive studies and researches necessary for housing, planning and urban development in urban and rural areas.

m. Ensure sufficient and equitable budgetary support to housing policies and programs, district or province-wide low-cost housing projects in both urban and rural areas pursuant to legislative districts' socio-economic development strategies and likewise, for housing assistance in cases of national emergencies or disasters;

n. Recommend appropriate legislations to advance the State's policy on housing, planning and urban development.

o. Discharge all responsibilities of government as may arise from treaties, agreements and other commitments on housing, planning, urban development and rational land use to which the country is a signatory, including the determination of the forms of assistance for housing, planning, urban development and land use to be extended through multilateral or bilateral assistance program.

p. Enter into contracts, either foreign or domestic, under such terms and conditions as it may deem proper and reasonable under existing law;

q. Receive, take and hold by bequest, devices, gift, purchase or lease, either absolutely or in trust, for any of its purpose from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitations as are provided under existing law and regulations, and convey such asset, grant or property, invest and reinvest the same under this provision, and deal with and expand the Department's assets and income in such manner as will best promote the herein declared objectives;

r. Determine, fix and collect reasonable amounts to be charged as fees necessary for the effective implementation of laws, rules and regulations which are enforced by the Department';

s. Adopt rules and regulations for the transaction of business;

t. Implement a rational, well-balanced, orderly and efficient redevelopment of urban communities and the development of new settlements in rural and non-farm areas which indicate potential for accelerated growth to assure dwellers thereon of decent and affordable housing, job, and livelihood opportunities, efficient mass transit, public safety, health care, educational opportunities, and clean environment.

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

v. Assume functions, powers and duties and responsibilities of National Home Mortgage Finance Corporation (NHMFC), Home Guaranty Corporation (HGC) and the Housing and Land Use Regulatory Board (HLURB).

w. Perform such other functions as may be provided by law or as directed by the President of the Republic of the Philippines.

Sec. 4. Composition of Department of Housing and Urban Development: The Department shall be headed by a Secretary. The Secretary shall be assisted by two undersecretaries and assistant secretaries/heads of attached corporations and agencies shall be appointed by the President of the Republic of the Philippines, upon the recommendation of the Secretary.

Sec: 5. Secretary – The Secretary shall be appointed by the President of the Republic of the Philippines subject to confirmation by the Commission on Appointments.

The Secretary shall have the following functions and powers:

a. Provide executive direction and supervision over the entire operations of the Department and its attached corporations and agencies;

b. Review, approve, and monitor all housing, planning and urban development activities in consultation with the concerned local government;

c. Rationalize the housing system in such manner as may be necessary for the efficient and effective attainment of its objectives subject to the provisions of existing law;

d. Review and approve requests for financial and manpower resources of all operating offices;

e. Designate and appoint all officers and employees of the Department, including those of the attached corporations and agencies, except those officials whose appointments are to be extended by the President of the Republic of the Philippines under their respective charters;

f. Create such divisions, regional offices and other service units as may be necessary to carry out the powers and duties of the Department;

g. Call on other agencies and instrumentalities of the government and private entities for cooperation and assistance in the performance of its functions;

h. Formulate such rules and regulations as may be necessary for or incidental to the attainment of the objectives of this Act;

i. Perform such other tasks which the President of the Republic of the Philippines may direct from time to time.

The Secretary shall be an ex-officio, non-voting member of the Board of the National Economic and Development Authority (NEDA), the governing boards of the Social Security System, the Government Service Insurance System (GSIS) and the Public Estates Authority. He shall also be a member of the NEDA's Committee on Infrastructure (INFRACOM) and the Social Development Committee (SDC). The Secretary shall also be a member of the body authorized to formulate, prescribe or amend the necessary guidelines for the financing, construction, operation, and maintenance of the infrastructure projects by the private sector, under Republic Act No. 6957, otherwise known as the Build-Operate-Transfer Law. Further, the Secretary shall be the chairperson of the governing boards of the National Housing Authority and the Home Development Mutual Fund.

Sec. 6. Attached Corporations and Agencies: The following corporations and agencies are hereby attached and placed under the control and supervision of the Department but they shall continue to perform their respective functions and powers not otherwise inconsistent with this Act:

a. National Housing Authority.

b. Home Development Mutual Fund.

Sec. 7. Reorganization of the Housing and Urban Development Coordinating Council: Upon approval of this Act, the HUDCC shall be reorganized and shall be composed of the Secretary of the Department of Housing and Urban Development as chairman, the Undersecretary of the Department of the Interior and Local Government as vice chairman, and the following as members: the heads of the corporation and agencies attached to the Department of Housing, the Administrator of the Social Security System, the General Manager of the Government Service Insurance System, the respective secretaries of the Department of Trade and Industry, Public Works and Highways, Transportation and Communications and Environment and Natural Resources, the chairpersons of the Presidential Commission on Urban Poor and Metro Manila Development Authority; and one (1) representative each from the private real estate and housing industry, a non-governmental organization and the labor sector.

Subject to the control and supervision of the Secretary, the Council shall serve as the highest policy-making, planning and monitoring body in all manners pertaining to real estate, land use, housing, planning and urban development any provision of other laws to the contrary notwithstanding.

Sec. 8: Dissolution of the NHMFC, HGC and HLURB: Subject to the provisions of the applicable laws and rules and regulations, upon the dissolution of the National Home Mortgage Finance Corporation

(NHMFC), Home Guaranty Corporation (HGC) and the Housing and Land Use Regulatory Board (HLURB), all their powers, functions, assets, liabilities, records, appropriations, facilities, equipment, and all other properties shall automatically be transferred to the Department of Housing and Urban Development.

The current third level employees of the NHMFC, HGC and HLURB shall be absorbed by the Department of Housing and Urban Development., while the officials of the NHMFC, HGC and HLURB shall only be given preference in the appointment to similar positions in the Department of Housing and Urban Development.

Sec. 9. Appropriations – The amount needed for the implementation of this Act shall be taken from the current appropriations of the Housing and Urban Development Coordinating Council. Thereafter, the fund necessary to carry out the provisions of this Act shall be included in the Annual General Appropriations Act.

Sec. 10. Implementing Rules and Regulations – The Secretary, within sixty (60) days from the effectivity of this Act, shall issue the necessary rules and regulations for the effective implementation of this Act.

Sec. 11. Transitory Provisions – Until the effectivity of the implementing rules and regulations, the rights and obligations of the present corporation and agencies subject of this Act shall continue to exist and shall be protected and discharged under the supervision of the Department.

Sec. 12. Repealing Clause. — All laws, executive orders or issuances, or any parts thereof which are inconsistent herewith are hereby repealed or amended accordingly.

Sec. 13: Separability clause – The declaration of unconstitutionality or invalidity of any provisions of this Act shall not affect the other provisions.

Sec. 13. Effectivity -- This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,