

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 587



Introduced by: HON. JOSE CHRISTOPHER Y. BELMONTE

EXPLANATORY NOTE

The bill entitled, *"An Act Creating the Department of Housing, Planning and Urban Development, Defining its Powers and Functions and Streamlining the Government Housing Program,"* is a slight modification of House Bill No. 6231 of the 15th Congress, which was attached to Committee Report No. 2216 of the Joint Committees on Government Reorganization, Housing and Urban Development, and Appropriations.

House Bill No. 6231 was a substitute bill for three (3) separate proposed measures, namely: (a) House Bill No. 384 introduced by Representatives Gloria Macapagal-Arroyo and Diosdado Macapagal Arroyo entitled *"An Act Creating the Department of Housing, Planning, and Urban Development, Defining its Powers and Functions, Rationalizing the Government Housing System, and for Other Purposes;"* (b) House Bill No. 1157 introduced by Representative Rodolfo G. Biazon entitled *"An Act Defining the Vision and Policies of Government in the Housing and Urban and Development Sector, Creating the Department of Housing and Urban Development, Defining its Mandate, Powers and Functions, and for Other Purposes,"*; (c) House Bill No. 1231 introduced by Representative Winston T. Castelo entitled *"Omnibus Housing and Urban Development"*; and (d) House Bill No. 2216 introduced by Representative Rodolfo G. Valencia entitled *"Creating the Department of Housing and Urban Development, Providing its Mechanisms and Appropriating Funds Thereof."*

The present bill aims, among others, to consolidate, rationalize, and coordinate the functions and powers of the National Home Mortgage Finance Corporation (NHMFC), Home Guaranty Corporation (HGC), Home Development Mutual Fund (HDMF), National Housing Authority (NHA), and Housing and Land Use Regulatory Board (HLURB).

The bill will also be a step in the direction of providing decent and affordable housing to every Filipino family at the soonest possible time and at the least cumbersome manner, which is in line with the Urban Land Reform and Housing provision under Section 9, Article XIII on Social Justice and Human Rights of the 1987 Constitution commands 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 key provisions of the bill is the creation of a new department to be called “The Department of Housing, Planning and Urban Development”, which shall act as the primary national government entity responsible for the management and implementation of the government’s housing and urban development program. The Department shall be the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing and urban development concerns, primarily focusing on the access to and affordability of decent housing and basic services in obedience to the afore-quoted Constitutional mandate.

The necessity of redefining and rationalizing the program of the government in the areas of housing and urban development finds cogency in the ever growing demand of the greater majority of our people for accessible and sustainable housing. This demand even acquires urgency in our expanding and “exploding” urban centers that challenge even the best models of management and governance.

To address the foregoing concerns, it is believed that, alongside appropriate social legislations, a positive step will be to recognize the need to consolidate and rationalize the different programs and agencies of the government that cater to the housing and urban development sectors. Of course, this measure should not lose sight of the deeper and more substantive issues of the sector that require a thorough and far-ranging understanding of the needs of all the stakeholders, an understanding which will eventually lead to the formulation and enactment of social legislations that are adherent to the Constitutional edict of providing decent and affordable housing to the underprivileged, and institutionalizing urban land reform.

For these reasons, the approval of the proposed bill is sincerely requested.


JOSE CHRISTOPHER Y. BELMONTE

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

16TH Congress
First Regular Session

House Bill No. 587

Introduced by Representative JOSE CHRISTOPHER Y. BELMONTE

1 AN ACT CREATING THE DEPARTMENT OF HOUSING, PLANNING AND
2 URBAN DEVELOPMENT, DEFINING ITS MANDATES, POWERS AND
3 FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

4
5 CHAPTER 1
6 TITLE, VISION AND POLICIES
7

8 SEC 1. *Title.* - This Act shall be known as the “*Department of Housing, Planning and*
9 *Urban Development Act of 2013*”.

10
11 SEC. 2. *Declaration Of Policies-* The state shall, by law and for the common good’
12 undertake, in cooperation with the private, a continuing program of housing and
13 urban development which shall make available at affordable cost, decent housing
14 and basic services to under -privileged and homeless citizens in urban centers and
15 resettlement areas. it shall also promote adequate employment opportunities to such
16 citizens. In the implementation of such program, the state shall respect the rights of
17 small property owners.

18 The state shall pursue the realization of a modern, humane, economically-
19 viable and, environmentally-sustainable society where the urbanization process is
20 manifest in towns and cities being centers of productive economic activity and is led
21 by market forces; where urban areas have affordable housing, sustainable physical
22 and social infrastructure and services facilitated under the democratic and
23 decentralized system of governance; and where urban areas provide the
24 opportunities for an improved quality of life and the eradication of poverty.

25 Poor dwellers in urban or rural areas shall not be evicted nor their dwelling
26 demolished. Except in accordance with law,
27

CHAPTER II
DEFINITION OF TERMS

Sec. 3. *Definition of Terms.*- As used in this Act, the following terms shall mean:

- a) Attachment refers to lateral relationship between a department and the attached agency or corporation for purposes of policy and program coordination and as further defined in the Administrative Code.
- b) Housing refers to the system and its components which establishes the residential quality of life, including housing, utilities, access to social services and other community facilities, security and other aspects related to an individual's residence.
- c) Informal Settler Families (ISFs) refer to household living in:
 - 1) Lot without consent of the property owner;
 - 2) Dangerous areas;
 - 3) Areas for government infrastructure projects;
 - 4) Protected/forest areas (except for indigenous people);
 - 5) Areas for Priority Development (APDs), if applicable; and
 - 6) Other government/public land or facilities not intended for habitation.
- d) Urban Development refers to the process of occupation and use of land or space for such activities as residential, industrial, commercial and the like or their combinations, necessary to carry out the functions of urban living. It entails the building or rebuilding of more or less permanent structures over land that is often withdrawn or converted from its original use, resulting in the creation of a built environment.

CHAPTER III
DEPARTMENT OF HOUSING, PLANNING AND URBAN DEVELOPMENT

Sec. 4. *Creation and Mandates of the Department of Housing, Planning and Urban Development.*- There is hereby created the Department of the Housing, Planning and Urban Development, hereinafter referred to as the Department, through the consolidation of the Housing and Urban Development Coordinating Council (HUDCC) and the Housing and Land Use Regulatory Board (HLURB). The Department shall act as primary national government entity responsible for the management of housing and urban development. It shall be the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing and urban development concerns, primary focusing on the access to and affordability of the basic human needs.

SEC. 5. *Power and Functions.*- The Department shall perform the following:

- a) Formulate the national and urban development and housing policy and strategy that ensures consistency with the Philippine Development Plan to promote social and economic welfare, in coordination and consultation with the stakeholders, local government units (LGUs) and other government agencies;
- b) Exercise initiative and assume a lead role in coordinating, supervising, and integrating all government activities relative to the housing and urban development;
- c) Formulate housing finance policies to promote the establishment of self-sustaining, private sector-led housing finance system;
- d) Develop and maintain housing database that shall include a shelter and urban development management information system;
- e) Manage and oversee the fast-tracked development of proclaimed housing sites, including the use of these land assets as resource mobilization strategy to raise alternative funds in developing new town housing projects which will serves as central relocation sites for the affected informal settlers;
- f) Develop effective and efficient financing programs for housing beneficiaries and developers;
- g) Ensure the Department's participation in sustainable development, climate change adaption, and disaster risk reduction;
- h) Enter into contracts, joint venture agreements, public-private partnerships, and such other memoranda of agreements or understanding, either domestic or foreign, under such terms and conditions as the Department may deem proper and reasonable and the subject to existing laws;
- i) Discharge all responsibilities of government that may arise from treaties, agreements and other commitments on housing and urban development to which it is a signatory, including the determination of forms of assistance for housing and urban development to be extended through bilateral or multilateral loans and/or assistance programs;
- j) Receive, take and hold by bequest, device, gift, purchase or lease, either absolutely or in trust for any of its purposes from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitations as are provided under existing laws and regulations;
- k) Exercise oversight function, coordinate, monitor and evaluate the policies and programs of all its attached agencies;
- l) Conduct continuing and comprehensive studies and research necessary for housing and urban development;
- m) Provide assistance to build the capacity of LGUs in urban development and management to strengthen the role of provinces, cities and municipalities as

the primary entries for the urban development, renewal planning and management;

- n) Monitor local and government compliance with housing and urban development laws, standards and guidelines, as well with their judicious and fair application of local housing and urban development ordinances;
- o) Support local government partnerships with communities, civil society organizations, non-government organizations, and private groups in the implementation of urban development and renewal projects;
- p) Develop and establish a sector performance monitoring and assessment mechanism and monitor and independently report on the performance of national government agencies and LGUs in the housing and urban development sector to enable continuing improvements in sector policy and strategy formulation;
- q) Lead in the disposition of lands intended for housing and owned by the Government or any of its subdivisions, instrumentalities, agencies or government-owned or -controlled corporations (GOCCs) such as but not limited to military reservations, lands reserved for government offices, facilities and other installations, and other land assets including friar lands which have not been used for the purposes for which have not been used for the purposes for which they have been reserved or set aside for the past ten (10) years from the effectivity of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992.
- r) Declare an area as Urban Development/Renewal site including the development and implementation of sub-projects jointly with the concerned LGUs under a Public-Private Partnership (PPP) arrangement;
- s) Advocate and assist the LGUs in the establishment of Special Housing Fund (SHF) to be sourced from the proceeds of Real Property Tax (RPT) pegged at one per centum (1%) of the assessed value of real property which will be exclusively used for the housing and urban development and renewal projects of the LGUs;
- t) Take the lead in the conduct of Pre- and Post-Proclamation activities as orchestrator and facilitator of the entire disposition process, including the stewardship of the Local Inter-Agency Communities (LIACs) which are the primary tasked to oversee the implementation of housing proclamation projects;
- u) Effect and oversee a single regulatory system that shall govern all activities relative to the planning, production, marketing, and management of housing and urban development projects;
- v) Take over unfinished, incomplete or abandoned licensed real estate development projects under Presidential Decree No. 957;

- 1 w) Encourage the private sector to address and serve a large part of the country's
- 2 housing needs;
- 3 x) Promote, accredit and regulate the use of indigenous material and
- 4 technologies in the housing construction;
- 5 y) Implement prototype projects, including the power of eminent domain, in
- 6 housing and urban development undertakings;
- 7 z) Determine, fix and collect reasonable amounts to be charged as fees and
- 8 charges necessary for the effective implementation of all laws, rules and
- 9 regulations enforced by the Department and impose reasonable fines and
- 10 penalties for violation thereof;
- 11 aa) Register, regulate and provide community development programs for
- 12 Homeowners Association (HOAs) and Condominium Units Owners
- 13 Association/Corporation (CUOA/Cs);
- 14 bb) Formulate and ensure the implementation of housing policies and programs
- 15 for urban poor communities and informal settler families (ISFs) that will
- 16 promote the social and economic welfare of homeless families, particularly
- 17 the poor and underprivileged;
- 18 cc) Initiate and encourage deeper and active involvement and participation of a
- 19 broader spectrum of citizenry through housing cooperatives and civil society
- 20 organizations which shall be used as an avenue through which housing needs
- 21 are assessed and recognized and, together with the local government units,
- 22 serves as the implementing agencies for housing and urban development
- 23 programs; and,
- 24 dd) Perform such other related functions as may be mandated by law.

25 SEC. 6. *Composition.*- The Department shall be composed of the Office of the

26 Secretary, its immediate staff, the Offices of the Undersecretaries and Assistant

27 Secretaries with respect to their areas of responsibilities, and their respective staff,

28 and the Offices directly supporting the Office of the Secretary.

29 SEC. 7. *The Secretary.*- The Secretary shall:

- 30 a) Advise the president on the promulgation of rules, regulations and other
- 31 issuances relative to matters under the jurisdiction of the Department;
- 32 b) Establish policies and standards for the efficient and effective operations of
- 33 the Department in accordance with the programs of the government;
- 34 c) Promulgate rules, regulations and other issuances necessary in carrying out
- 35 the Department's mandate, objectives, policies, plans, programs and projects;
- 36 d) Exercise control and supervision over all personnel and functions of the
- 37 Department;
- 38 e) Delegate authority for the performance of any administrative or substantive
- 39 function to the subordinate officials of the Department;

1 f) Call on other agencies and instrumentalities of the government and private
2 entities for cooperation and assistance in the performance of its functions;
3 and

4 g) Perform such other function as may be provided by law or assigned by the
5 President.

6 The Secretary shall also serve as voting member of the National Economic
7 and Development Authority (NEDA) Board and the governing Boards of the
8 Social Security System (SSS), the Government Service Insurance System
9 (GSIS), the Climate Change System (CCC), the National Risk Reduction
10 Management Council (NDRMMC), and the Philippine Reclamation Authority
11 (PRA). The Secretary shall be a member of NEDA's Committee on the
12 Infrastructure (INFRACOM). Investment Coordinating Committee (ICC) and
13 Social Development Committee (SDC). The Secretary shall also be a member
14 of the body authorized to formulate, prescribe, or amend guidelines under
15 R.A. No. 6957 as amended, otherwise known as the Build-Operate-Transfer
16 (BOT) Law.

17 SEC. 8. *The Undersecretaries*- Taking into account the requirements of the Department
18 and subject to the approval of the President, the Secretary shall be assisted by:

- 19 a) One (1) Undersecretary for the Bureau of Policies, Coordination, Monitoring,
20 Evaluation and Programs;
21 b) One (1) Undersecretary for the Bureau of Environmental, Land Use and
22 Urban Planning and Development;
23 c) One (1) Undersecretary for the Bureau of Regulation of Housing and Real
24 Estate Development; and
25 d) One (1) Undersecretary for the Bureau of Homeowners, Homeowners
26 Associations and Community Development.

27 They shall have the powers and functions as provided for in Section 10.
28 Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is
29 further authorized to delineate and assign the other functional areas of
30 responsibility of the Undersecretaries.

31 SEC. 9. *Qualifications and Appointment*- The Secretary and Undersecretaries shall be
32 citizens and residents of the Philippines, of good moral character, and of proven
33 competence and integrity. They shall all appointed by the President. The
34 Undersecretaries shall be career officers.

35 SEC. 10. *Department Bureaus and Regional Offices*- The Department shall establish,
36 operate, and maintain Bureaus under it such as but not limited to:

- 37 a) Environmental, Land Use and Urban Planning and Development;

- b) Community Development;
- c) Plans, Policies, Programs and Monitoring Group; and
- d) Legal and Support and Services Group.

There shall be regional Offices in all the country's administrative regions. Each Regional Office shall be headed by a Regional Director.

In addition to the existing functions of the HUDCC and HLURB, the Regional Office shall forms such other functions as may be delegated by the Secretary.

SEC. 11. *Staffing Pattern*- The development of the staffing pattern shall be based on an assessment of the personnel requirements of the entire Department as recommended by the Secretary and as approved by the Department of Budget and Management (DBM). The remuneration structure if the positions in the staffing pattern shall strictly conform to the Salary of the Standard Law. as amended.

CHAPTER IV HUMAN SETTLEMENTS ADJUDICATORY COMMISSION

SEC. 12. *Reconstitution of the HLURB as the Human Settlements Adjudicatory Commission (HSAC)* - The HLURB is hereby reconstituted and shall henceforth be known as the Human Settlements Adjudicatory Commission, hereinafter referred to as the SHAC, which shall operate as an independent Commission within the Department.

SEC. 13. *Transfer of Adjudicatory Function of the HLURB to the SHAC*- The adjudicatory function of the HLURB is hereby transferred to the HASC.

SEC. 14. *Composition and Qualifications of Members*- The HSAC shall be composed of the Secretary of nine (9) full-time Commissioners; provided, That the term of incumbent Commissioners shall be respected; provided, further, that the subsequent appointees of the President shall be members of the Philippine Bar of which, three (3) Commissioners shall have experience in urban development planning, sustainable development. Climate change adaptation, and disaster risk reduction; three {3} shall be nominees of the urban poor and homeowners associations; and three [3] shall come from the private sector; provided finally, that each Division that shall be composed of three [3] members shall have one [1] member representing the urban poor communities or the homeowners associations.

The Commissioners must have been engaged in the practice of the law for the period of at last five [5] years.

The commissioners shall hold office for six[6] years or until they become incapacitated to discharge the duties of their office, whichever comes earlier.

1 No person who has been convicted of a crime involving moral turpitude shall
2 be appointed at any time as a Member of the HASC.

3 SEC.15 *Collegiality, Divisions, and Sessions* –The HSAC shall exercise its adjudicatory
4 and all other powers, functions, and duties through its Divisions. The Divisions of
5 the HASC shall have exclusive appellate jurisdiction over cases decided by its
6 Arbiters.

7 The HASC sitting en banc may, on temporary or emergency basis, allow cases
8 within the jurisdiction of any Division to be heard and decided by any other
9 Division whose docket allows the additional workload and such transfer will not
10 expose litigants to unnecessary additional expense.

11 The HASC sitting en banc, presided over by the Secretary, shall sit en banc
12 only for the purposes of promulgating rules and regulations governing the hearing
13 and disposition of cases before any of its Divisions' and its Arbiters in its Regional
14 offices, and in formulating policies effecting its administration and operations.

15 SEC.16. *Decisions and Resolutions*.-the concurrence of two [2] Commissioners of a
16 division shall be necessary for the pronouncement of a judgment resolution.
17 Whenever the required membership in a Division is not complete and the
18 concurrence of two[2] Commissioners to arrive at a judgment or resolution cannot be
19 obtained, the most senior Commissioners' shall designate into the division such
20 number of additional Commissioners from the other divisions as may be necessary.

21 The conclusion of a Division on any case submitted to it for decision shall be
22 reached in consultation before the case is assigned to a Member for writing of the
23 decision. It shall be mandatory for the Division to meet the purposes of the
24 consultation ordained herein. A certification to this effect by the presiding
25 Commissioner of the division shall be issued and a copy thereof attached to the
26 record of the case and served upon the parties.

27 SEC. 17. *Precedence and Supervision* – The most senior Commissioner shall be the
28 Presiding Commissioner of the first Division and the two (2) next senior Members
29 shall be the Presiding Commissioners of the second and third Divisions,
30 respectively.

31 The HSAC sitting en bane may designate any Commissioner who shall have
32 administrative supervision over the HSAC and its Regional branches and all their
33 personnel, including the Arbiters.

34 The HSAC shall be assisted by the Board Secretariat which shall perform such
35 similar or equivalent functions of the Board Secretary of the HLURB.

1 SEC. 18. *Compensation* – A Commissioner shall receive an annual salary at least
2 equivalent to an Undersecretary.

3 The incumbent full time Commissioners of the present HLURB shall remain
4 in office unless they opt to avail of the retirement and separation benefits as
5 provided for in Sec. 34 of its Act or are sooner removed for cause.

6 SEC. 19. *Jurisdiction* – In addition to the existing jurisdiction of HLURB, the Arbiters
7 shall exercise exclusive jurisdiction to hear and decide cases involving the following:

8 a) Exclusive original jurisdiction on the following cases involving real estate
9 properties, subdivisions, and condominiums:

10 1) Squatting on subdivision lots and condominium units;

11 2) Eviction and relocation of squatter communities in subdivisions and
12 condominiums;

13 3) Disputes involving buyer financing agreements with any financing
14 institution for condominium or subdivision projects;

15 4) Easements of right of way in subdivisions;

16 5) Disputes involving condominium corporations;

17 6) Disputes between landowners and developers, and between
18 banks/financing institutions and developers whenever the interest of
19 buyers is involved; and,

20 7) Disputes involving the enforcement of CLUPs.

21 b) Housing Rights. Exclusive original jurisdiction over violations of
22 administrative rules and regulations implementing Sections 7, 8, 18 and 28 of
23 R.A. No. 7279.

24 The secretary may assume jurisdiction over any complaint or case and decide
25 the same or certify such case for decision to the HSAC, when authorized by
26 both Houses of Congress through a resolution, if the controversy involves
27 massive fraud or unsound business practices of critical socio-economic or
28 environmental considerations that may have serious potential impact on the
29 interest of the sector or the general welfare.

30 SEC. 20. *Powers and Authorities of the HSAC* – in addition to the adjudicatory powers
31 given to HLURB, the HSAC shall exercise the following:

32 a) To issue writs, and orders prohibiting demolitions, seizures or closures of
33 property including temporary writs or orders restraining demolitions,
34 seizures or closures of property;

35 b) To issue writs and orders to execute demolitions or seizures or property in
36 accordance with its decision or judgment;

- c) To impose administrative fines and/or penalties for violation of R.A. No. 7279, as amended, and other laws implemented by the HSAC, including pertinent rules and regulations, orders, decisions, and/or rulings: Provided, That the HSAC may adjust such fines not more than once every three (3) years; and,
- d) To exercise powers granted to the HSAC or to achieve the objectives and purposes of this Act, and other laws implemented by the HSAC.

SEC. 21. *Criminal Prosecution* - The criminal prosecution for violation of housing laws and regulations shall be instituted before criminal Courts having appropriate jurisdiction.

SEC. 22. *The Arbiters* - Qualifications and Appointment. The existing HLURB Arbiters shall be deemed qualified. Additional Arbiters should be a member of the Philippine Bar for at least three (3) years, with at least two (2) years of experience or exposure in the field of real and land use development cases.

The President, upon the recommendation of the Secretary, shall appoint Arbiters, as may be necessary, for each administrative region, upon the recommendation of the HSAC en bane.

The HSAC en bane shall have the power to assign the Arbiters to the Regional Officers.

SEC. 23. *The Sheriff*. The HSAC shall appoint a Sheriff or such number of Sheriffs in its Central and Regional branches. The person to be appointed to the position of sheriff should be a second grade Civil Service eligible and has finished at least two (2) years of college. The Sheriff shall be responsible for the service and execution of all writs, summonses, and orders and other processes of the HSAC.

SEC. 24. *Appeals*. - Decisions, awards, or orders of the Arbiters shall be final and executor unless appealed to the HSAC within fifteen (15) calendar days from receipt of such decisions, awards, or orders. The appeal may be entertained only on any of the following grounds:

- a) If there is primary facie evidence of abuse of discretion on the part of the Arbiters in rendering the questioned decision, award, or order;
- b) If the decision, order, or award was secured through fraud or coercion, including graft and corruption;
- c) If the appeal is made purely on questions of law; and
- d) If serious errors in the findings of facts are raised, which errors would cause grave or irreparable damage or injury to the appellant.

Decision of HSAC can be appealed to the Court of Appeals by way of a Petition for Review within fifteen (15) calendar days from notice of judgement, award, or order sought to be appealed, pursuant to rule 43 of the Rules of Court.

SEC 25. *Prohibition against Restraining Order of Injunction* – No lower Court of the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction or permanent injunction-against HSAC or its Arbiters in any case, dispute, or controversy arising from, necessary to, or in connection with the application, implementation, enforcement, or interpretation of this Act and other pertinent laws on housing and on just and humane eviction or demolition procedures.

SEC 26. *Pending Cases* – All cases pending in regular Courts arising from in connection with the implementation of pertinent laws on housing and on just and humane eviction and demolition procedures, shall continue to be heard, tried, and decided to their finality by such Courts.

CHAPTER V ATTACHED AGENCIES

SEC 27. *Attached Agencies and Corporations* – The following agencies and corporations are hereby attached to the Department for policy and program coordination, monitoring and evaluation:

- a) National Housing Authority (NHA);
- b) Home Guaranty Corporation (HGC);
- c) National Home Mortgage Finance Corporation (NHMFC)
- d) Home Development Mutual Fund (HDMF)
- e) Social Housing Finance Corporation (SHFC); and,
- f) Human Settlement Adjudicatory Commission (HSAC)

All these agencies shall continue to function according to existing laws and their respective Charters. However, each of the Heads of the attached agencies shall enter into a performance contract annually with the Secretary. Such contracts shall embody the national targets on housing and urban development and shall include the over-all administration of the agency and the streaming of personnel for effective and efficient service.

The reorganization, merger, streamlining, abolition or privatization of any attached GOCCs shall be in consultation with the Department and the GOCC concerned.

1
2 The appointment of the Board of Directors or Trustees of the attached GOCCs shall
3 be in accordance with R.A. no. 10149, otherwise known as the GOCC Governance
4 Act of 2011.

5
6 SEC 28. *Nature of Attachment* – The Secretary shall be elected as Chairperson of the
7 governing Boards of the NHA, HDME, NHMFC, SHFC, and HGC.

8
9 CHAPTER VI
10 OTHER PROVISIONS
11

12 SEC 29. *Social Housing One-Stop Processing Centers (SHOPCs)* – The Department shall
13 establish SHOPCs in the regions, which shall centralize the processing and issuance
14 of all required housing-related permits, clearances, and licenses in accordance with
15 Executive Order No. 45, series of 2001 entitled “Prescribing time periods for issuance
16 of housing related certifications, clearances and permits, and imposing sanctions for
17 failure to observe the same” Provided, That for the foregoing purpose, the respective
18 ceilings for socialized, low cost/economic and middle-income housing shall be
19 jointly determined by the Department and the NEDA: Provided further, That at any
20 time, but not more than once every two (2) years, such ceilings may be reviewed or
21 revised to conform to prevailing economic conditions. All agencies involved in the
22 issuance of said permits, clearances and licenses shall be represented in the SHOPC
23 and shall assign to SHOPC regional centers personnel who shall be sufficiently
24 authorized to process and issue the same.

25
26 SEC 30. *Identification and Designation of Lands for Housing and Urban and Rural*
27 *Development* – For the purpose of designating lands for housing and urban and rural
28 development, the Department, the DENR, the DAR and the DA shall, within one
29 hundred eighty (180) days from effectivity of this Act, jointly identify agricultural
30 lands which under R.A. No. 6657, otherwise known as the Comprehensive Agrarian
31 Reform Law and other existing rules and regulations are already exempted from
32 conversion requirements; Provided, That the list shall exclude lands that are
33 declared as non-negotiable or protected from conversion under existing laws and
34 issuances and those lands covered under R.A. No. 6657; Provided further, That the
35 designation of lands for Housing and Urban and rural development purposes shall
36 neither prejudice the rights of qualified beneficiaries under R.A. No. 6657, nor
37 undermine the protected agricultural areas intended to ensure the attainment of
38 food security under R.A. No. 8435, otherwise known as the Agriculture and
39 Fisheries Modernization Act of 1997 (AFMA) and other existing laws; Provided,
40 further that in the case of lands exempted from conversion though these have been

1 approved by the DAR, if these are contested by affected individual or community
2 beneficiaries, it shall not be allowed to proceed with by horizontal or vertical
3 development without need for any prior clearance or approval from the DAR or the
4 DA consistent with the terms of approved order or conversion: Provided, finally,
5 that all idle government lands in highly urbanized cities are hereby prioritized for
6 housing and urban development purposes.

7
8 CHAPTER VII
9 TRANSITORY PROVISIONS
10

11 SEC 31. *Absorption of Employees of the Consolidated Agencies* - The existing civil
12 servants of HUDCC and HLURB shall enjoy security of tenure and shall be absorbed
13 by the Department in accordance with their staffing patterns and the selection
14 process as prescribed under R.A. No. 6656 on the Rules on Government
15 reorganization, unless the civil servant wants to avail of Section 34 hereof.

16
17 SEC 32. *Transfer of Assets and Obligations* - The following dispositive actions shall be
18 implemented within six (6) months from the effectivity of this Act:

- 19 a) The assets, equipment funds, records, and pertinent transactions of HUDCC
20 and HLURB shall be transferred to the Department and the HSAC; and;
21 b) The Department and the HSAC shall cause the creation of additional
22 positions and augment their budget appropriations as may be needed.

23
24 SEC 33. *Transition Period* - All transfer of functions, assets, funds, personnel,
25 equipment, properties, transactions, and personnel in the affected national
26 government agencies and the formulation and implementation of the internal
27 organic structures, staffing patterns, operating systems, and revised budgets of the
28 Department and the Department and the HSAC, shall be completed within (6) six
29 months from the effectivity of this Act, during which existing personnel shall
30 continue to assume their posts in holdover capacities until new appointments are
31 issued.

32
33 SEC 34. *Separation from the Service* - Employees separated and/or phased out from
34 the service as a result of the consolidation and/or reorganization under the
35 provisions of this Act shall within one (1) month from their separation and/or phase
36 out from the service, receive separation benefits in accordance with existing laws.
37 In addition, those who are qualified to retire shall be allowed to retire and be entitled
38 to all benefits provided, under any of the existing retirement laws.
39

1 SEC 35. *Transfer of functions.* - The following functions are hereby transferred as
2 stipulated hereunder.

3 a) The regulatory function of the HLURB, including the formulation,
4 promulgation, and enforcement of rules, standards and guidelines are hereby
5 transferred to the Department.

6 b) The HLURB's monitoring function, including the imposition of penalties for
7 non-compliance to ensure that LGUs will follow the planning guidelines and
8 implement their CLUPs/ZOs shall likewise be transferred to the Department ;
9 and

10 c) The registration of incorporation of homeowners associations and
11 condominium corporations of the HLURB are hereby transferred to the
12 Department.

13 d) SEC 36. *Transfer of Rights and Assets* - The Department shall by virtue of this
14 Act, be subrogated to all rights and assume all the liabilities of the HUDCC
15 and all other agencies of the government whose functions and powers have
16 been transferred to it, and all their pertinent funds, records, property, assets,
17 equipment and such personnel, as may be necessary, including unexpended
18 portions of their appropriations, except the assets, pertinent funds, records,
19 property, assets, equipment and personnel of the HLURB.

20
21 SEC 37. *Formulation of Implementing Rules and Regulations* - The Secretary shall
22 prepare and issue the implementing rules and regulations (IRR) of the Department
23 within sixty (60) days upon the effectivity of this Act.

24
25 CHAPTER VIII
26 IMPLEMENTING AUTHORITY AND FUNDING
27

28 SEC 38. *Implementing Authority* - The Secretary is hereby authorized to undertake the
29 implementation of the provisions of this ACT and implement the necessary
30 organizational changes within the specified six (6) month transition period.

31
32 SEC 39. *Funding* - The amount necessary for the initial implementation of the
33 provisions of this Act shall be charged against the current year's appropriations of
34 the HUDCC and HLURB. Thereafter, such sums as may be necessary for the
35 continued implementation of this Act shall be included in the annual General
36 Appropriations Act.

CHAPTER IX
MISCELLANEOUS PROVISIONS

SEC 40. *Mandatory Review of the Implementation of this Act* - The Department shall conduct and submit a report to Congress a review of the implementation of this Act at the end of the second year from the date of its effectivity.

SEC 41. *Repealing Clause* - All laws, executive orders, proclamations, rules, regulations, and other issuances or parts thereof which are inconsistent with the provisions of this act are hereby repealed, amended or modified accordingly.

SEC 42. *Separability Clause* - If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC 43. *Effectivity* - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

Approved.