

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 4651



Introduced by: Rep. Josephine Y. Ramirez Sato

EXPLANATORY NOTE

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(s), the State shall respect the rights of small property owners."

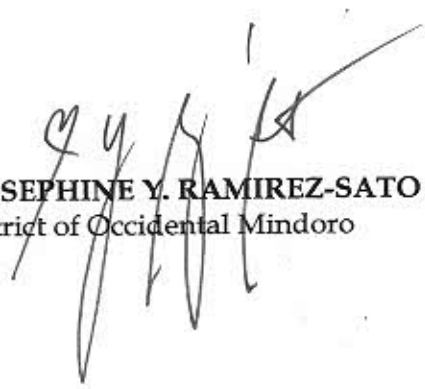
Since the enactment of Republic Act No. 7279, also known as the Urban Development and Housing Act of 1992, we are still facing a worsening problem of urban blight and homelessness in the country. At present, we have an estimated housing backlog of around three (3) to four (4) million housing units. The problem does not end here.

While we face a huge shelter backlog, it is ironic that there are government housing units that remain unoccupied to this day. While many of our poor countrymen continue to suffer homelessness, we have thousands of housing units lying idle. These idle government assets were acquired with the people's money and represent wastage of scarce government resources.

Another key concern is the quality of our built environments, specifically settlements and buildings that serve as the stage for all types of human activities. We know all too well that our built environment is a model of non-compliance with the very laws passed to protect both the natural and built environments. There is clear and pressing need to control all sorts of irrational and illegal developments at this time as the effects of over four (4) decades of runaway development has already taken a very heavy toll on our daily existence.

This bill proposes to create the Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation (DSSUDDR) that is envisioned to put direction and order in the built environment in general, and the shelter sector in particular, to encompass settlements and all types of buildings on Philippine soil, water and airspace. It shall be the primary government agency that will facilitate and ensure the availability of affordable shelter to our people, especially those who need it most and to ensure that our settlements and buildings are all built in full accordance with law, are sustainably designed, climate change-adaptive and disaster-resilient. By creating a full time Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation, the proposed measure seeks to integrate all shelter and urban development policies, plans, programs and projects to expedite the delivery of decent, affordable and sustainable shelter and urban development programs and projects.

It is for the foregoing reasons that early passage of this bill is earnestly requested.



HON. JOSEPHINE Y. RAMIREZ-SATO
Lone District of Occidental Mindoro

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"AN ACT DEFINING THE VISION AND POLICIES OF GOVERNMENT IN THE HOUSING, URBAN DEVELOPMENT AND DISASTER REHABILITATION SECTORS, CREATING THE DEPARTMENT OF SHELTER, SETTLEMENTS AND URBAN DEVELOPMENT, AND DISASTER REHABILITATION, DEFINING ITS MANDATE, POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES"

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

ARTICLE I

SHORT TITLE, VISION, POLICY AND PRINCIPLES

Section 1. Short Title. This Act shall be known as the "*Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation Act.*"

Section 2. Declaration of Vision and Policies. The State shall pursue the realization of a modern, humane, economically viable and environmentally sustainable society where the urbanization process is manifest in towns and cities being centers of productive economic activity, led by market forces; where urban areas have affordable shelter, bases for human habitation and activities, sustainable physical and social infrastructure and services facilitated under a democratic and decentralized system of governance; where urban areas provide the opportunities for an improved quality of life and the eradication of poverty; and where there is a high degree of complementarity between urban and rural communities.

Section 3. Principles of Sector Governance. The stipulated vision and policy shall be pursued and realized in accordance with principles that will guide the definition of government functions in the sector; its relationship with the private sector; the vertical compartmentalization of government functions among levels of governance, national and local; and the horizontal compartmentalization of national government functions. These principles that will define and delineate the functions, responsibilities and accountabilities of various national government agencies are as follows:

- 3.1 *Steering Role of the National Government in the Sector.* The national government shall perform a steering role in the shelter and urban development sector. In this regard it shall:
 - a) strengthen its role in guiding, mobilizing and facilitating in housing and urban development. It shall define the urban development vision and provide a shelter and urban development framework that will guide the investments and activities of the private sector. It shall provide policies on spatial integration, urbanization, urban environmental management, urban development and redevelopment, regeneration, urban land management, shelter development and other related concerns to facilitate private enterprise and participation. It shall formulate and enforce a minimum set of regulations that will ensure the establishment of a level playing field in the provision of urban infrastructure and services and in the locational choices of investors, and prevent urban decay, congestion, diseconomies of scale and environmental degradation of urban areas; and
 - b) provide policies that will mobilize public and private sector resources toward a self sustaining shelter finance system.
- 3.2 *Continuing Devolution of Functions to Local Governments.* The national government and local governments shall act as partners in shelter and urban development. Functions, and the corresponding authority and accountability shall be continuously devolved to local government units, such devolution to be guided by the following:
 - a) The delineation of functions between the national government and local governments shall be such that inefficiencies are removed, access to public services and official documents is improved, and plans, programs and services are responsive to local needs and opportunities. For this purpose, functions that are location specific in their benefits and costs shall, to the extent possible, be devolved to local governments.

- b) The determination of the proper level of government to which a function will be devolved shall be determined by the extent of the geographical effects of the benefits and the cost of undertaking such function.
- c) Local governments shall implement national government policies in their respective localities. Location specific functions that are to be devolved to local governments are those that relate to the provision of public goods and services. Local governments shall to the extent possible, encourage the private sector to assume primary responsibility for production of public goods, and limit their functions to enforcing standards and regulations or providing incentives.
- d) Local governments shall have full autonomy in shelter and urban development planning and management consistent with national policies, strategies and regulatory framework.
- e) The national government shall be the facilitator, independent monitor and performance evaluator. National government shall formulate national standards and rules to guide local governments in the formulation of localized standards. The promulgation, implementation and enforcement of standards and regulations will be undertaken by local governments.

- 3.3 *Maximum Participation of the Private Sector and Communities in Shelter and Urban Development.* The government shall provide policies to maximize private sector participation in shelter and urban development and to mobilize public and private sector resources toward a self-sustaining shelter and urban development finance system.

The national government, through local governments, shall ensure that communities are involved in the formulation of shelter and urban development policies and plans that will impact upon them, their livelihood and their living conditions. Full community participation in shelter and urban development policies, programs and projects of government shall be encouraged.

- 3.4 *Responsiveness to the shelter needs of the urban poor communities.* The government shall directly address the concerns and needs of the urban poor communities by formulating the policies, providing and mobilizing resources, and designing as well as implementing programs and intervention that will address urban homelessness and unemployment. Government shall facilitate the establishment of a finance system that enables all sectors of society to have the opportunity to access funds and facilitate the provision of adequate

shelter, security of tenure and appropriate infrastructure, where subsidies, if provided, are transparent in nature and targeted at those in need.

- 3.5 *Clear Horizontal Compartmentalization and Coordination of Functions Among National Government Agencies.* The Department of Shelter, Settlements and Urban Development, created under this Act, shall be the primary entity for policy formulation and coordination of all shelter and urban development functions. It shall define the delineation of shelter and urban development functions and responsibilities of and relationship among national government agencies to promote efficiency and effectiveness, clarify accountability, and ensure synchronization.
- 3.6 *Policy and Coordinating Role of the Department of Shelter, Settlements and Urban Development.* The role of the Department is to support the accomplishment of the sector vision, and, in particular, encourage more opportunities to help improve the lives of the urban poor.

ARTICLE II

DEFINITION OF TERMS

Section 4. Definitions. As used in this Act, the following terms shall mean:

- 4.1 **Attachment** - refers to the lateral relationship between the Department and the attached agency or corporation for purposes of policy and program coordination and as further defined under the administrative code.
- 4.2 **Buildings** - refers to all types of structures that are planned, designed and constructed in full accordance with law, for the primary purpose and function of human habitation and for other related, supportive and regulated occupancies.
- 4.3 **Climate Change** - a significant and lasting change in the statistical distribution of weather patterns over periods ranging from decades to millions of years. It may be a change in average weather conditions or the distribution of events around that average e.g. more or fewer extreme weather events. Climate change may be limited to a specific region/s in the Philippines or its western or eastern seaboard, or may occur across the entire country, the Pacific Basin or the West Philippine Sea.

- 4.4 **Climate Change-Adaptive** - refers to the characteristic or quality of a building and/or development arising from any action taken to minimize the adverse effects or to take advantage of any beneficial effects of climate change. It can involve:
- a) building adaptation capacity (creating information and conditions that enable adaptation actions to take place); or
 - b) delivering adaptation actions (taking actions that will help to reduce vulnerability to climate risks or exploit opportunities).
- 4.5 **Commission** - refers to the reconstituted Housing and Land Use Regulatory Board.
- 4.6 **Devolution** - the transfer of responsibility, authority and accountability for the performance of defined functions from the national government to local governments.
- 4.7 **Disaster** - refers to a natural or man-made hazard that has come to fruition, resulting in an event of substantial extent causing significant physical damage or destruction, loss of life, or drastic change to the environment. A disaster is also defined as any tragic event with great loss of lives and properties, stemming from events such as earthquakes, floods, catastrophic accidents, fires, or explosions.
- 4.8 **Disaster preparedness (or emergency management)** - refers to an interdisciplinary field of human endeavor dealing with the strategic organizational management processes used to protect critical assets of from hazard risks that can cause disasters or catastrophes, and to ensure the continuance of the organization within their planned lifetime. Assets are categorized as either living things, non-living things, cultural or economic. Hazards are categorized by their cause, either natural or human-made. The entire emergency management process is divided into four (4) sub-fields to aid in identification of the processes, normally dealing with risk reduction, preparing resources to respond to the hazard, responding to the actual damage caused by the hazard and limiting further damage e.g. emergency evacuation, quarantine, mass decontamination, etc., and returning conditions as close as possible to the state before the hazard incident. The definition necessarily encompasses the concepts of disaster response and mitigation.
- 4.9 **Disaster-resilient** - refers to the quality of a building/ structure and its grounds/ site or by its plans and designs, generally characterized by the reduced probability of failure of its architectonics, the reduced consequences due to the failure of its architectonics, and reduced time to the restoration of the architectonics to full operating/ beneficial status.

- 4.10 Disaster response** - refer to acts or a series of actions taken by the public and private sectors, based on an agreed plan of action, to specifically address the needed relief efforts (encompassing aid, rescue and recovery, etc.) and rehabilitation efforts (encompassing reconstruction, relocation and resettlement) in response to the effects of extreme/ extraordinary events such as super-typhoons, earthquakes, war, etc.
- 4.11 Extreme/ extraordinary events** - refers to natural or man-caused events that cause widespread destruction to property and/or loss of life; these include earthquakes, tsunamis, volcanic eruptions, very strong typhoons, heavy flooding, extensive fire (urban/ grass/ forest), war, invasion, pestilence, epidemics and the like.
- 4.12 Informal structure/ settlements** - refers to a building/ structure or a group of dwellings on a public or private property that have been illegally constructed, occupied, operated and maintained without permits from the local government unit (LGU) Office of the Building Official (OBO) and without any form of permission from the owner of the property.
- 4.13 Informal settler** - refers to an individual natural person who resides in an illegally constructed, occupied, operated and maintained building or dwelling that is sited within an informal settlement.
- 4.14 Urban land management** - refers to the range of government interventions, including policies, incentives, regulation and titling, land use planning and zoning, land development, public information and conflict resolution that will promote the optimization and most efficient use of urban land, including appropriate land valuation to achieve efficiency in use, promote access, support economic productivity, ensure sustainable development and protect individual rights.
- 4.15 Land use plan** - refers to the document, formulated by the local governments in consultation with its stakeholders, that defines or provides guidelines on the allocation, utilization, development and management of all lands within a given territory or jurisdiction according to the inherent qualities of the land itself and supportive of economic, demographic, socio-cultural, administrative and environmental objectives. The land use plan essentially refers to the uses for the surface of the land but must incorporate the parallel water use and air use plans, as well as the subsurface plan, as applicable.
- 4.16 Public domain** - shall refer to all portions of physical developments for human occupancy or use as envisioned under this act, that shall only be for the full use and enjoyment of the public and that shall never be used for private benefit or enjoyment. This necessarily includes all forms of development or use rights for all types of designated public spaces such as parks and open spaces, road rights-of-way (RROWs) and similar

rights-of-way (ROWs) for transportation and utilities, mandated legal easements and waterways and the like.

- 4.17 **Reconstruction** - refers to the act or process of again building something that was damaged or destroyed for whatever cause or combinations of causes
- 4.18 **Rehabilitation** - refers to the act of restoring a development to a useful and beneficial state, as through reconstruction.
- 4.19 **Relocation** - refers to the act of establishing or laying out an existing development from an old location to a new site, usually occasioned by the effects of an extreme/ ordinary event or by imminent threats or hazards to the occupants of the existing development.
- 4.20 **Resettlement** - refers to the act or instance of a population settling or being settled in another site
- 4.21 **Secondary mortgage market** - refers to the system, which entails purchase, acquisition, discounting, or refinancing of retail loan and mortgage packages or other similar instruments. Once purchased these instruments in turn are traded in the financial market through the issuance and or sale of bonds, promissory notes, debentures, conveyances, and other financial instruments or participation therein, backed by the same pool of mortgages and other assets.
- 4.22 **Shelter** - refers to the system and its components which establish the residential quality of life, including housing, all classes of buildings or vertical developments and their grounds/ settings and environs, utilities, access to social services and other community facilities, security, and other aspects related to an individual's residence.
- 4.23 **Site plan** - invariably referred to as the master plan, master development plan or site development plan, refers to a physical translation of the consolidated solution of the spatial problem to benefit a specific group of occupants/ users of a building or a group of buildings and their respective bounded sites as settings for such structures.
- 4.24 **Sustainable design** - refers to the philosophy of designing physical objects, the built environment and services to substantially comply with the principles of economic, social and ecological sustainability, without compromising natural and other resources that must be bequeathed to future generations.

- 4.25 **Urban development** - pertains 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 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.
- 4.26 **Urban development planning** - also called city planning or town planning, is a process that involves the planning of diverse elements that comprise an urbanized area, including its physical infrastructure, environment, shelter, transportation, utilities and management of land use and urban growth.
- 4.27 **Urban renewal or regeneration** - the process of planned renewal, physical and socio-economic revitalization of outworn, old, derelict areas of towns and cities, as well as preservation of historical assets through redevelopment and rehabilitation.
- 4.28 **Zoning ordinance** - refers to the set of rules, regulations and specific procedures and requirements, including the Official Zoning Map/s (OZMs), duly promulgated, implemented and enforced by the local government, that will guide land use, land development and the development of the built environment as well as the conservation and management of the natural environment, within the jurisdiction of the local government.

ARTICLE III

DEPARTMENT OF SHELTER, SETTLEMENTS AND URBAN DEVELOPMENT

Section. 5. Creation of the Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation. There is hereby created the Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation, hereinafter referred to as the Department.

Section 6. Powers and Functions. The Department shall perform the following functions:

- 6.1 formulate the national urban development and shelter policy and strategy in coordination and consultation with the stakeholders, and ensuring its consistency with the national development plan;
- 6.2 formulate the urban development and shelter planning framework, establish and operate a national urban development and shelter

planning system, and develop the necessary planning, housing and building design guidelines, procedures and urban development standards that will define and delineate the roles of all stakeholders, and guide the planning, design, standards localization, promulgation and enforcement of rules, and service delivery programs of national government and local governments, and facilitate private sector investment;

- 6.3 formulate shelter finance policies, and recommend and facilitate the development of mechanisms that promote the establishment of a self-sustaining private sector-led shelter finance system;
- 6.4 formulate and implement a shelter program for urban poor communities that will promote their social and economic welfare, and mobilize resources and encourage stakeholder participation in the provision of urban services for the poor;
- 6.5 provide assistance to and capability building of local governments in urban development, urban redevelopment and urban management and in the planning and design of all classes of buildings on land, water or air, their sites and environs, in support of national policies and strategies in the sector, as well as strengthen the role of independent component cities and provincial governments as the primary entities for urban development planning and management at the local level;
- 6.6 develop and establish a sector performance monitoring and assessment mechanism, and monitor and independently report on the performance of the sector, national government agencies, and local governments in shelter and urban development to enable continuing improvements in sector policy and strategy formulation;
- 6.7 delineate areas for priority development as urban renewal areas and prepare programs for their regeneration;
- 6.8 support devolution and decentralization where local governments in partnership with communities, non-government organization and private groups assume the functions of urban renewal and regeneration;
- 6.9 exercise administrative investigatory powers over local governments to ensure their faithful compliance with shelter and urban development laws, standards and guidelines, as well as their judicious and fair application of local shelter and urban development and [housing] shelter-related ordinances, and require the submission by local governments of pertinent documents and

information, as may be necessary in the judicious and effective conduct of investigation;

- 6.10 develop and implement the comprehensive and integrated [housing] shelter program provided for under this act, to formulate and enforce general and specific policies for [housing] shelter development and resettlement and to promote [housing] shelter development by providing technical assistance;
- 6.11 prescribe guidelines and standards for the reservation, conservation and utilization of public lands identified for housing, shelter, settlement and resettlement;
- 6.12 exercise the right of eminent domain or acquire by purchase privately owned lands for purposes of [housing] shelter development, resettlement and related services and facilities;
- 6.13 develop and undertake [housing] shelter development and/or resettlement projects through joint ventures or other arrangements with public and private entities;
- 6.14 discharge all responsibilities of the government, on behalf of the department, as may arise from treaties, agreements, and other commitments on [housing] shelter and resettlement to which it is a signatory, including the determination of forms of assistance for shelter and housing development to be extended through multilateral or bilateral assistance programs;
- 6.15 purchase, acquire, sell, discount, refinance, or otherwise deal in home mortgages or participations therein under such terms and conditions as may be prescribed by the board of directors of the corporation and to own, lease, purchase or otherwise acquire, sell or otherwise dispose of, property, real or personal, as may be necessary and appropriate for the conduct of its business;
- 6.16 enter into and perform such contracts with any person or entity, public or private, as may be necessary, proper or conducive to the attainment or furtherance of the objectives and purposes of this act and to receive donations, grants, and bequests and utilize the same for the attainment of its objectives. such donations, grants and bequests shall be exempt from the payment of transfer taxes and be fully deductible from the gross income of the donor or grantor for income tax purposes;
- 6.17 promulgate such rules and regulations and to do and perform any and all things as may be necessary and proper to carry out its responsibilities, powers and functions under this act;

6.18 coordinate the policies and programs of attached agencies; and

6.19 perform such other related functions as may be mandated by law.

Section 7. *Mandate.* The Department shall be the primary national government entity responsible for the management of shelter and urban development. It shall be the main planning and policy-making, program coordination, and performance monitoring entity for all housing and urban development concerns.

ARTICLE IV

DEPARTMENT PROPER

Section 8. *Composition.* The Department shall consist of the Offices of the Secretary, the Senior Undersecretary, undersecretaries and assistant secretaries, the department services, bureaus, regional offices, the attached agencies, and their constituent units.

Section 9. *The Secretary.* The Secretary shall:

- a) advise the President on the promulgation of rules, regulations, and other issuances relative to matters under the jurisdiction of the department;
- b) establish policies and standards for the efficient and effective operations of, the Department in accordance with the approved programs of the government;
- c) promulgate rules, regulations and other issuance necessary in carrying out the Department's mandate, objectives, policies, plans, programs and projects;
- d) exercise supervision and control over all functions and activities of the Department;
- e) delegate authority for the performance of any administrative or substantive functions to subordinate officials of the Department; and
- f) perform such other functions as may be provided by law or assigned by the President.

The Secretary shall also serve as an *ex officio*, non-voting member of the National Economic and Development Authority (NEDA) Board, the governing boards of the Social Security System (555), the Government Service Insurance

System (GSIS) and the Public Estates Authority (PEA). The Secretary shall be a member of the NEDA's Committee on Infrastructure (INFRACOM), of the Social Development Committee (SDC) AND OF THE NDRRMC. The Secretary shall be a member of the body authorized to formulate, prescribe, or amend guidelines 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 (NHA), the Home Development Mutual Fund (HDMF), the Home Guaranty Corporation (HDC) and the National Mortgage Finance Corporation (NHMFC).

Section 10. *The Senior Undersecretary, Undersecretaries and Assistant Secretaries.* - The Secretary shall be assisted by a Senior Undersecretary, Undersecretaries and such Assistant Secretaries as may be necessary and allowed by law or organizational policy of government. The Senior Undersecretary, Undersecretaries and Assistant Secretaries shall be career offices and shall be appointed by the President upon the recommendation of the Secretary. They shall perform the powers and functions as provided for in Section 10 & 11, ARTICLE 2, Book IV of the Administrative Code of 1987. The Secretary is hereby authorized to delineate and assign the respective functional areas of responsibility of the Senior Undersecretary, Undersecretaries and assistant secretaries.

Section 11. *Departmental Services Office.* The Departmental Services Office, under the Office of the secretary, shall be headed by an Assistant Secretary, and shall have the following services: Financial Management Service, Administrative Service, Legal and Legislative Service, Research and Development Service, Public Relations and Information Service, and Information and Communications Technology Service.

Section 12. *Financial Management Service.* The Financial Management Service shall:

- a) formulate the medium-term and annual expenditure program for the Department and prepare, execute and administer the Department's annual budget;
- b) develop and implement approaches, methodologies and procedures for ensuring efficiency in the allocation and utilization of budgetary and other resources of the Department;
- c) provide accounting, financial management, disbursement and cashiering services to the Department and ensure the submission of the appropriate financial and physical performance reports and financial statements;

- d) monitor and make recommendations on the financial and physical performance of the Department's programs, projects and activities; and
- e) perform such other related functions as may be assigned by the Secretary.

Section 13. *Administrative Service.* The Administrative Service shall provide the Department with efficient and effective services relative to personnel, human resources development, records management and custodial work, supplies and inventory management, procurement, physical assets management, and other related administrative functions as may be assigned by the Secretary.

Section 14. *Legal and Legislative Service.* The Legal Service shall:

- a) provide the Department, its officials and personnel with legal counseling services;
- b) provide assistance to the Secretary in handling cases affecting the Department and in the investigation of administrative cases involving Department personnel;
- c) provide assistance to the Secretary and other Department personnel in the preparation of legislative proposals and legal issuances affecting the sector or the Department;
- d) review and make recommendations to the Secretary on the legal and legislative implications of plans, programs and activities affecting the sector or the Department; and
- e) perform such other related functions as may be assigned by the Secretary.

Section 15. *Research and Development Service.* The Research and Development Service shall:

- a) formulate and implement a research and development agenda and mobilize public and private sector resources to generate new knowledge; develop and/or adopt new technologies; identify and design new products and services, to support continuing improvement in shelter, settlements and urban development regulation, production and service delivery;
- b) undertake continuing studies on the research and development requirements of the shelter and urban development sector for the

purpose of, but not limited to, policy development, planning and standards formulation;

- c) establish collaborative mechanisms with international and local institutions, the academe and research institutions, industry, local governments and national government agencies, and other entities and individuals for knowledge sharing, research resources sharing, technology transfer, commercialization, and useful exploitation and industry use of research and development;
- d) publish and disseminate research and development information to the public to promote innovation in the various aspects of shelter, settlements and urban development; and
- e) perform such other related functions as may be assigned by the Secretary.

Section 16. *Public Relations and Information Service.* The Public Relations and Information Service shall –

- a) Formulate and implement a public information and relations program that will promote public and stakeholder knowledge of and feedback on the policies, regulations, incentives, opportunities and programs and projects in the shelter and urban development sector;
- b) Prepare, produce and publish materials to support such public information and public relations program;
- c) Establish collaborative networks for the dissemination of information and generation of feedback on sectoral concerns; and
- d) Perform such other related functions as may be assigned by the Secretary.

Section 17. *Information and Communications Technology Service.* The Information and Communications Technology Service shall:

- a) formulate and implement an information and communications technology plan for the sector that will ensure the speedy generation, organization, and processing of data and production of analytic information to support planning, policy formulation, performance monitoring and assessment and transaction processing systems of the Department;

- b) define the design of the integrated information systems and their functional specifications, and undertake the management of the development, operation and maintenance of applications;
- c) establish collaborative electronic data sharing and communications linkages with other departments, agencies, industry and local government units to ensure the generation of comprehensive, up-to-date and accurate data and promote their wider use in decision making;
- d) undertake continuing user training and assistance to improve computer literacy and promote the sophisticated use of information technology in planning, analysis, transaction processing and decision making;
- e) be responsible for the maintenance and provision of support services to all Department employees in the use of information technology;
- f) conduct continuing studies on best uses of information and communications technology in the shelter and urban development sector; and
- g) perform such other functions as may be assigned by the Secretary.

Section 18. *Advisory Committees.* The Secretary shall have the power to establish *ad hoc* advisory committees consisting of key representatives from national government agencies, local governments, the private sector, urban poor communities, academe, and other marginalized groups, to provide a forum for stakeholder participation and dialogue on key housing and urban development issues and policies.

Section 19. *Staffing Pattern.* The Secretary shall prepare and implement a staffing pattern for the Department proper that shall be based on an assessment of the personnel requirements of the entire Department. The remuneration structure of the positions in the staffing pattern shall conform to the Salary Standardization Law. The Department of Budget and Management shall fund in full the staffing pattern of the Department. The internal structure and the specific number of divisions that will comprise each of the above bureaus and units under the Department shall be determined and established by the Secretary.

ARTICLE V

PLANS, POLICIES AND MONITORING OFFICE

Section 20. *Plans, Policies and Monitoring Office.* The Plans, Policies and Monitoring Office (PPMO), shall be headed by an Assistant Secretary and shall be the central government policy, planning and monitoring think tank for

housing and resettlement, and urban planning, development and regeneration. The Office shall be responsible for the:

- a) formulation of national shelter policy including those for the planning and design of buildings, their sites and environs, urban and regional development policies, and resettlement policy;
- b) updating of national urban development and shelter framework; preparation of national shelter plan and agency corporate plan;
- c) provision of internal planning services; reviewing policies, plans and programs of key shelter agencies;
- d) conduct of research and development in shelter, housing and building technologies and trends and into shelter and urban development;
- e) monitoring of the effectiveness of government policies and programs in shelter delivery and urban development, including those of the attached agencies;
- f) development of performance indicators for shelter and urban development, develop the performance indicators and program targets for key shelter agencies and local governments;
- g) monitoring of the performance of key shelter agencies' performance against targets as well as the accomplishment of national shelter plan and adherence to the urban development and housing framework;
- h) provision of internal evaluation services to the Department;
- i) integration of shelter and urban development data banks with those of other government agencies; and
- j) monitor the performance of local government programs in shelter and urban development.

Section 21. *Bureaus under the PPMO.* The Assistant Secretary for Plans, Policies and Monitoring shall supervise the following:

21.1 *Plans, Policies and Programs Bureau.* The Plans, Policies and Programs Bureau shall:

- a) formulate, review and update, in consultation with national government agencies, local governments, private sector, communities and other stakeholders, national plans, objectives and policies for housing and urban development, specifically the

national urban development and housing framework and the national shelter program;

- b) establish and implement a national housing and urban development planning system and coordinate the preparation and timing of the sectoral plans of national government agencies with the local development plans of local government units, ensuring their consistency with the national urban development and housing framework, the national shelter program and the Medium-term Philippine Development Plan;
- c) design programs for the provision of capacity building assistance to local governments in shelter, housing and urban development planning, investment programming, formulation of land use plans and zoning ordinances, plan administration and performance assessment;
- d) formulate policies and design interventions that will directly address the shelter concerns of the urban poor communities, including the formulation of guidelines on eviction and relocation;
- e) standardize planning and design data and sector information requirements under a uniform data classification and storage and through geographic information systems (GIS);
- f) formulate foreign-assisted projects framework consistent with the urban development and housing framework, national shelter program and sector public investment program;
- g) formulate an effective monitoring and performance evaluation system and undertake the overall monitoring and performance assessment of foreign-assisted housing and urban development projects of the department, its attached agencies and other national government agencies, local government units, and other entities;
- h) establish project management units to manage and coordinate the implementation of foreign-assisted projects of the Department, where necessary;
- i) formulate and implement a research and development agenda and mobilize public and private sector resources to generate new knowledge; develop and/or adopt new technologies; identify and design new products and services, to support continuing improvement in shelter and urban development regulation, production, and service delivery;

- j) undertake continuing studies on the research and development requirements of the shelter and urban development sector, for the purpose of, but not limited to, policy development, planning and design standards formulation;
- k) provide technical assistance to project management and implementation offices and units of foreign-assisted projects of the Department in facilitation of project implementation in accordance with approved policies and schedules; and
- l) perform such other functions as may be assigned by the Secretary.

21.2 *Monitoring and Evaluation Bureau.* The Monitoring and Evaluation Bureau shall:

- a) monitor and evaluate the performance of the sector particularly on the consistency of programs, projects and activities of national government agencies, local government units, industry and other stakeholders with the national urban development and housing framework, national shelter strategy, sector public investment programs and the policies of the Department;
- b) develop and operate a sector performance monitoring and evaluation system and monitor, evaluate and independently report on the performance of the sector and that of local governments, industry, national government and other key sector stakeholders;
- c) recommend changes and coordinate action needed to ensure the accomplishment of the objectives of the national urban development and housing framework, national shelter strategy, sector public investment programs and the policies of the Department;
- d) regularly monitor the corporate and operational performances of all the organic bureaus, attached agencies and corporations, and make recommendations thereon;
- e) formulate an effective monitoring and performance evaluation system and undertake the overall monitoring and performance assessment of shelter, urban development and disaster rehabilitation projects of the Department, its attached agencies, local government units, and other entities; and
- f) perform such other related functions as may be assigned by the Secretary.

21.3 *Shelter Finance and Development Bureau.* The Shelter Finance and Development Bureau shall:

- a) formulate policies and implement schemes to encourage a sustainable market-oriented shelter finance system that will ensure greater private sector participation and adequate flow of private funds into the shelter industry;
- b) develop and implement incentive schemes to encourage greater participation by the private sector, communities and other stakeholders in the provision of shelter and shelter finance;
- c) design the most appropriate mechanism to increase transparency and efficiency in the use of public funds, including the creation of a socialized housing fund or other mechanisms to administer up-front grants or amortization support, and design the implementing system and procedures for the program maximizing the principles of decentralization and devolution;
- d) undertake continuing studies for the improvement of the institutional framework and administrative operations for shelter finance;
- e) recommend legislation to improve housing finance laws, policies and mechanisms and develop initiatives for private sector and community participation;
- f) conduct continuing studies on improving housing finance, resource generation and mobilization, and their implementing strategies and mechanisms;
- g) administer homeless assistance or grants to LGUs, NGOs and private communities for temporary or emergency housing in response to manmade or natural calamities; and
- h) perform such other functions as may be assigned by the Secretary.

ARTICLE VI

URBAN DEVELOPMENT AND HOUSING OPERATIONS OFFICE

Section 22. *The Urban Development, Settlements and Shelter Operations Office.* The Urban Development, Settlements and Shelter Operations Office (UDSSOO), under the Office of the Secretary, shall be headed by an Assistant Secretary and shall be responsible for the:

- a) development of the capacity of local governments to plan, implement and monitor shelter, land management, urban development and urban redevelopment programs;
- b) development and administration of the national government subsidy program for social housing;
- c) provision of advice and guidance on the development of housing finance market in the Philippines;
- d) provision of technical and administrative support to management and implementation of foreign-assisted projects at the central level.

Section 23. *Bureaus under the UDSSOO.* The Assistant Secretary for Urban Development Settlements and Shelter Operations Office (UDSSOO) shall supervise the following:

23.1 *Housing and Land Use Regulation Bureau.* The Housing and Land Use Regulation Bureau (HLURB) shall be responsible to:

- a) formulate, review and update national policies and standards, guidelines and regulations relative to land use for implementation and enforcement by local government units;
- b) develop urban development planning and urban development, land use, zoning and urban management standards and guidelines for the formulation of local development plans, land use plans and zoning ordinances, and for local development administration and urban management by local governments, ensuring the integration of the spatial and socio-economic aspects of development, promoting consultation and consensus, and improving development quality;
- c) formulate national standards and regulation relative to the development of condominium and subdivision projects, which will serve as guide for the enforcement of such regulation by the provincial governments and independent cities;
- d) formulate zoning and other land use control standards and guidelines which shall govern the development and implementation of local land use plans and zoning ordinances of municipalities and component cities; the zoning components of civil works and infrastructure projects of the national, regional and local governments located within the geographical jurisdiction of the province or independent component city; subdivision or estate development projects of the public and private sectors; and urban renewal plans, programs and projects;

Provided, that these standards and guidelines shall respect the classification of public lands for forest purposes as certified by the Department of Environment and Natural Resources;

- e) monitor, evaluate, investigate and independently report on the performance of local governments, the private sector, and other stakeholders in the aspects of housing development, land use management, and their regulation;
- f) issue rules and regulations to enforce the land use policies as prescribed by existing laws on land use and such other laws regulating the use of land, including the regulatory aspect of the Urban Land Reform Act and all decrees relating to the value of land and improvements and their rental, in their respective geographical areas of jurisdiction;
- g) develop and install the housing and land use development oversight monitoring system and undertake reserve compliance monitoring functions deemed vital by the Secretary;
- h) formulate and implement real estate consumer education and protection programs;
- i) adopt rules of procedure for the conduct of its business for approval of the Secretary;
- j) conduct public hearings relating to its functions;
- k) promote, encourage, coordinate and assist private enterprises and government agencies and instrumentalities in planning, developing and coordinating shelter, settlements and urban development plans and programs by furnishing legal, technical and professional assistance;
- l) develop and implement upon approval of the Secretary, prototype projects supportive of its regulatory functions either by itself or as part of an inter-agency group or by contract with such public or private entities;
- m) charge and collect reasonable fees in the performance of its functions;
- n) issue orders after conducting appropriate investigation for the cessation or closure of any use or activity and to issue orders to vacate or demolish any building or structure that it determines to have violated or failed to comply with any of the laws, executive orders, presidential issuances and directives being implemented

by it, either on its own motion or upon complaint of any interested party;

- o) administer oaths, summon parties to a controversy, issue subpoenas requiring attendance and testimony of witnesses or the production of such books, papers, contracts, records, agreements and other documents of similar nature as may be material to a just determination of the matters under investigation or hearing conducted in pursuance of this Act;
- p) regulate real estate trade and business;
- q) register subdivision lots and condominium projects;
- r) issue license to sell subdivision lots and condominium units in the registered units;
- s) approve performance bonds and suspension of license to sell;
- t) register dealers and maintain a list of real estate brokers and salesmen duly registered and licensed by the Professional Regulation Commission, who are lawfully engaged in the business of selling subdivision lots or condominium units;
- u) suspend or revoke registration of dealers, brokers or salesmen for cause;
- v) approve mortgage on any subdivision lot or condominium unit made by the owner or developer;
- w) grant permits for the alteration of plans and the extension of period for completion of subdivision or condominium projects;
- x) approval of the conversion to other lawful purposes of road rights-of-way (RROWs) and open spaces found within a project which have been donated to the city or municipality concerned;
- y) hear and decide cases on unsound real estate business practices, claims for refund against project owners, developers, dealers, brokers or salesmen, cases of specific performance and other related cases arising from contractual or statutory obligations of owners, dealers, brokers, or salesmen towards lot or unit buyers;
- z) impose administrative fines and/or penalties for violation of this Act, and other laws implemented by the Department including pertinent rules and regulations, orders, decisions and/or rulings; provided that the maximum fines or penalties to be imposed shall not exceed five hundred thousand pesos (P500,000.00);

provided further; that the Secretary may adjust such rates not more than once every three (3) years;

- aa) determine and order the payment by the losing party of the cost of litigation incurred by the winning party and prescribe the manner in which such payments shall be made;
- bb) deputize any law enforcement agency in the execution of the final orders, rulings or decisions;
- cc) monitor the activities of metropolitan development authorities (MDA) nationwide and report the same to the Secretary for possible coordinative action; and
- dd) perform such other related functions as may be assigned by the Secretary.

23.2 *Urban Land Management and Regeneration Bureau.* The Urban Land Management and Regeneration Bureau shall be responsible to:

- a) formulate urban land management, renewal and regeneration policies, strategies, concepts, and models; mobilize community support and create the governance mechanisms, incentives and disincentives and other modes of intervention to mobilize public and private sector resources;
- b) undertake continuing monitoring and assessment of urban land management policies, programs, interventions and institutional mechanisms and assess the urban land management, renewal and regeneration needs and reform requirements to improve policy and strategy formulation;
- c) coordinate the urban land management, renewal and regeneration activities of the national government to ensure efficient use of public resources; prevent duplication and overlapping, streamline procedures, encourage private sector and community participation and improve services;
- d) undertake studies on urban land management regeneration, and apply best practices and lessons in improving policy, government intervention and practice;
- e) design programs for improving capacities of local governments in urban land management, renewal and regeneration; and
- f) perform such other functions as may be assigned by the Secretary.

Section 24. *Decisions of the HLURB.* Decisions, orders or resolutions of the HLURB hearing officers shall be appealable to the Secretary within fifteen (15) days from receipt of the decision. However the Secretary may *motu proprio* review any decision or action of the HLURB before the same becomes final.

ARTICLE VII

OFFICE OF THE NATIONAL BUILDING OFFICIAL

Section 25. *The Office of the National Building Official.* The Office of the National Building Official (ONBO), shall be headed by the Senior Undersecretary, who shall discharge the following duties and responsibilities:

- a) administration of all process, review and approval functions for the development or redevelopment of all existing and proposed buildings, their sites and environs sited on Philippine soil, water or airspace;
- b) development of the capacity of local governments to process, review and approve the development or redevelopment of all existing and proposed buildings, their sites and environs;
- c) exercise administrative supervision and control over the LGU offices of building officials (OBO) and the regional offices; and
- d) the quasi-judicial powers and functions with respect to the process, review and approval of the development or redevelopment of all existing and proposed buildings, their sites and environs on Philippine soil shall be exercised through the ONBO.

The Senior Undersecretary, in full representation of the Secretary, shall serve as the National Building Official, primarily tasked with the crafting, updating, interpretation, implementation, enforcement and compliance monitoring of the National Building Code of the Philippines, its implementing rules and regulations, guidelines, standards and manual of procedure, as well as other derivative regulations, including referral codes such as the fire, architectural, structural, electrical, mechanical, sanitation and water codes and the accessibility law.

Section 26. *Powers and Functions of the Office of the National Building Official (ONBO).* The ONBO shall:

- a) formulate, review, update and promulgate national policies and standards, guidelines and regulations relating to the planning, design, operation, maintenance and administration of all buildings on Philippine soil, water and airspace, their sites and environs, for

implementation and enforcement by all national and local government units;

- b) continually develop standards and guidelines for the planning, design, operation, maintenance and administration of buildings and sites, ensuring the integration of the spatial and socio-economic aspects of development, promoting consultation and consensus, and improving development and redevelopment quality;
- c) formulate national standards and regulation relative to the National Building Code, the Fire Code, the accessibility law, the water and sanitation codes and their derivative regulations as well as their respective referral codes, which shall all serve as guides for the implementation and enforcement of such laws and regulations by the local and national governments;
- d) monitor, evaluate, investigate and independently report on the performance of national and local government units, the private sector, and other stakeholders in the various concerns and issues relating to buildings and related vertical developments and the attendant regulatory measures;
- e) issue rules and regulations to enforce policies pertaining or relating to the planning, design, operation, maintenance and administration of buildings and their sites as prescribed by existing laws;
- f) conduct public hearings relating to its functions;
- g) promote, encourage, coordinate and assist private enterprises and government agencies and instrumentalities in planning, developing and coordinating building and vertical development programs by furnishing legal, technical and professional assistance;
- h) develop and implement upon approval of the secretary prototype projects supportive of its regulatory functions either by itself or as part of an inter-agency group or by contract with such public or private entities;
- i) charge and collect reasonable fees in the performance of its functions;
- j) issue orders after conducting appropriate investigation for the occupancy cessation, closure or demolition of any building/ site or activity and to issue orders to vacate or demolish any building, structure or site that it determines to have violated or failed to comply with any of the laws, executive orders, presidential issuances and directives being implemented by it, either on its own

motion or upon resolution of a complaint filed by any interested party;

- k) to administer oaths, summon parties to a controversy or dispute, issue subpoenas requiring attendance and testimony of witnesses or the production of such books, papers, contracts, records, agreements and other documents of similar nature as may be material to a just determination of the matters under investigation or hearing conducted in pursuance of this act;
- l) issue or approve pre-issued building, ancillary and accessory permits relating to buildings and their sites;
- m) conduct the preliminary review and presentation of building plans and designs prior to their finalization;
- n) maintain a list of professionals duly registered and licensed by the Professional Regulation Commission, who are lawfully engaged in the planning and design of buildings and their sites;
- o) suspend or revoke building, ancillary and/ or accessory permits for cause and reinstate the same as needed;
- p) grant permits for the alteration of building plans and designs and the extension of the period for completion of such projects;
- q) hear and decide cases on unsound building planning, design, operation, maintenance or administration practices;
- r) impose administrative fines and/or penalties for violation of this Act, and other laws implemented by the Department including pertinent rules and regulations, orders, decisions and/or rulings; provided that the maximum fines or penalties to be imposed shall not exceed five hundred thousand pesos (P500,000.00); provided further; that the Secretary may adjust such rates not more than once every three (3) years;
- s) to determine and order the payment by the losing party of the cost of litigation incurred by the winning party and prescribe the manner in which such payments shall be made;
- t) to deputize any law enforcement agency in the execution of the final orders, rulings or decisions;
- u) recommend to the Secretary and to LGUs the appointment of duly qualified building officials or their removal for cause after due process;

- v) provide training and testing for applicant building officials;
- w) monitor and rate the performance of building officials;
- x) Perform such other related functions as may be assigned by the Secretary.

Section 27. Decisions of the ONBO. Decisions, orders or resolutions of the ONBO hearing officers shall be appealable to the Senior Undersecretary within fifteen (15) days from receipt of the decision. However the secretary may *motu proprio* review any decision or action of the HLURO before the same becomes final. The decision of the Senior Undersecretary may be appealed to the Office of the Secretary, whose decision shall be final.

Section 28. Bureaus Under the ONBO. The Senior Undersecretary for the ONBO shall supervise the following:

- 28.1 *National Building Code Bureau.* The National Building Code Bureau (NBCB) shall be responsible for the review, updating, development and interpretation of the National Building Code, its implementing rules and regulations, its guidelines and standards, its manual of procedure and its referral codes; the NBCB shall also be responsible for monitoring National Building Code compliances nationwide and for giving primary advice to the Secretary on the resolution of issues pertaining to the interpretation of the National Building Code;
- 28.2 *Bureau of Building Design.* The Bureau of Building Design (BBD) shall be primarily responsible for the technical interpretation of the National Building Code and its derivative regulations and shall be responsible for the publication of such interpretations for use by all concerned state-regulated professionals. The bureau shall set the standards and guidelines for the planning, design, operation, maintenance and administration of all public buildings. The bureau shall also be responsible for the conduct of inspections nationwide to ensure compliance with the National Building Code and its derivative regulations; and
- 28.3 *Building Consultants Bureau.* The Building Consultant's Bureau (BCB) shall be the Secretary's private sector advisory entity on the implementation and enforcement of the National Building Code. It shall also be an advisory entity to the Office of the Senior Undersecretary, the NBCB and BBD.

Section 29. *The Disaster Rehabilitation Office.* The Disaster Rehabilitation Office (DRO) of the Department will act as overall manager and coordinator of the rehabilitation, recovery, and reconstruction efforts of all government departments, agencies and instrumentalities in the affected areas, to the extent allowed by law. The DRO shall be tasked with the following:

- 29.1 coordinate with the National Disaster Risk Reduction and Management Council (NDRRMC) and its member agencies and consult with the concerned local government units (LGUs) in the formulation of plans and programs for the rehabilitation, recovery, reconstruction and redevelopment of the affected areas, including an overall strategic vision and integrated short-term, medium-term and long-term programs, which shall be submitted by the Secretary for approval;
- 29.2 propose funding support for the implementation of the approved plans and programs. The DRO shall likewise exercise oversight over the relevant government agencies with respect to the implementation of the pertinent plans and programs;
- 29.3 call upon any department, bureau, office, agency or instrumentality of the government, including government-owned and controlled corporations (GOCCs), government financial institutions (GFIs) and LGUs and request non-government organizations, the private sector, and other entities, for assistance as the circumstances may require in carrying out its mandate;
- 29.4 engage the assistance of consultants, experts, and professional advisors whenever necessary, subject to applicable government rules and regulations; and
- 29.5 submit to the Secretary the status reports on the implementation of the approved plans and programs as often as the Secretary may require, and perform such other functions and activities as may be necessary to carry out the provisions of this Act, or as the Secretary may direct.

ARTICLE VIII

OFFICE FOR REGIONAL OPERATIONS

Section 30. *The Office for Regional Operations.* The Office for Regional Operations shall exercise supervision and control over the Department's Regional Offices, described in Section 25 hereof. It shall be responsible for the provision of public information, monitoring of LGU performance, development of a regional-central reporting and work flow processes, provision of government assistance to LGUs, administration of subsidy and other regional operations.

Section 31. Regional Offices. The Department is hereby authorized to establish, operate and maintain a Department-wide regional office in each of the country's administrative regions. Each Regional Office shall be headed by a Regional Director and shall have, within its administrative region, the following functions:

- a) implement laws, policies, plans, rules, regulations and programs of the Department in the concerned region;
- b) Implement the local government housing and urban development capacity building programs of the Department in their respective regions;
- c) Ensure the consistency of the over-all regional development goals and programs with the National Urban Development and Housing Framework, and the National Shelter Program, and vice-versa; similarly between Department programs and regional plans of other government agencies;
- d) Review all local development and land use plans of provinces and independent cities for purposes of ensuring compliance with laws within thirty (30) days from receipt thereof;
- e) Undertake the independent monitoring and review of sector performance and the performance of national government, local governments, industry and other stakeholders in the regions, and recommend appropriate action thereon;
- f) Monitor, investigate and assess compliance to approved subdivision, condominium, building and site development plans; and for the purpose, impose fines/penalties and, on its own motion or upon complaint of any interested party, after the conduct of appropriate investigation, issue notices of violations and Cease and Desist Orders for noncompliance thereof;
- g) Coordinate the shelter and urban development planning process in the regions to ensure the delivery of various activities and services such as titling, issuance of permits for subdivision, condominium, building and site development plans, the provision of social and livelihood services, and other services related to housing and urban development;
- h) Maintain a regional database and information system for the sector in the region;
- i) Undertake a public information program to provide the industry, general public and other stakeholders with information on national and local government policies, regulations and programs, as well as to establish a

consultative mechanism to serve as a forum for continuing planning and evaluation of settlement programs and projects;

- j) Implement, monitor and evaluate policies, rules and regulations governing resettlement, relocation/eviction or demolition due to for government projects which will involve the eviction or demolition of structures of homeless and underprivileged citizens, and recommend appropriate action thereon;
- k) Ensure that local government units institute preventive measures against informal settling and address other concomitant problems, such as rural to urban migration;
- l) Monitor and evaluate the implementation of government's programs and projects which would require housing provision and/or relocation and resettlement activities, and recommend appropriate action thereon;
- m) Administer homeless assistance advances/grants to LGUs, NGOs and private communities for temporary and emergency housing, in response to man-made and natural calamities;
- n) Implement innovative, clearly defined, transparent and on-budget housing subsidy mechanisms for the homeless and underprivileged in the regions to enhance accessibility to shelter;
- o) Registration and incorporation of home-owners associations and condominium corporations; and
- p) Perform such other functions as may be assigned by the Secretary.

ARTICLE IX

ATTACHED AGENCIES

Section 32. *Attached Agencies and Corporations.* The following agencies and corporations are hereby attached to the department for policy and program coordination:

- 32.1 National Housing Authority (NHA);
- 32.2 Housing Guarantee Corporation (HGC);
- 32.3 National Home Mortgage Finance (NHMFC)
- 32.4 Home Development Mutual Fund (HDMF); and
- 32.5 Housing and Urban Development Adjudication Commission (HUDAC)

The National Risk Reduction and Management Council (NDRRMC) shall not be under the administrative control and supervision of the Department. However, the Department and the NDRRMC must collaborate on rehabilitation efforts in which the Department must be the lead agency.

Section 33. *National Housing Authority (NHA).* The National Housing Authority shall remain as the sole national government arm for shelter production and shall institute such programs and approaches that will promote housing provision for low-income families. It shall encourage private sector participation in socialized housing production and assist local governments in building capabilities for the implementation of local housing programs and projects.

Section 34. *Home Guarantee Corporation (HGC).* The Home Guaranty Corporation shall concentrate on its mandate of providing guarantees to: (a) encourage the flow of private funds for mass housing development and homebuyers' financing; and (b) support the development and sustainability of the secondary mortgage market for housing. The Corporation shall conduct studies and initiate activities for greater private sector participation in the short term and for its eventual privatization over the medium term.

Section 35. *National Home Mortgage Finance Corporation (NHMFC).* The National Home Mortgage Finance Corporation shall focus on its designated function as the secondary mortgage institution of the country. To achieve this, the Corporation shall implement measures necessary to enhance its organizational capability and financial viability, including but not limited to, improvement of collection efficiency, restructuring of management information systems, and upgrading of its technical capability. The Corporation shall conduct studies and initiate activities for greater private sector participation in the short-term and for its eventual privatization over the medium term.

Section 36. *Home Development Mutual Fund (HDMF).* The Fund shall continue its function of providing a savings system for public and private sector employees with housing as its primary investment, as provided for in P.D. No. 1752, as amended by E.O. No. 35 and Republic Act No. 7742.

Section 37. *Nature of Attachment.* The Secretary shall in concurrent capacity, be the *Ex-Officio* Chairperson of the governing boards of the attached corporations, namely, the NHA, the HGC, the NHMFC and the HDMF.

ARTICLE X

HOUSING AND URBAN DEVELOPMENT ADJUDICATION COMMISSION

Section 38. *Renaming and Reconstitution of the Housing and Land Use Regulatory Board.* The Housing and Land use Regulatory Board is hereby renamed and reconstituted as the Housing and Urban Development Adjudication Commission (HUDAC), hereinafter referred to as the Commission.

Section 39. *Power and Authority.* The Commission shall have the following powers and authorities:

- 39.1. To promulgate rules and regulations governing the hearing and disposition of cases filed before it and those pertaining to its internal functions and such other regulations as may be necessary to carry out the purposes for which it is established: *Provided*, that it shall not be bound by technical files of procedure but shall proceed to hear and decide all cases, disputes or controversies in a most expeditious manner, employing all reasonable means to ascertain the facts of every case in accordance with justice, equity and merit;
- 39.2. To administer oaths, summon parties to a controversy, issue *subpoenas* requiring attendance and testimony of witnesses or the production of such books, papers, contracts, records, agreements and other documents of similar nature as may be material to a just determination of the matter under investigation or hearing conducted in pursuance of this Act;
- 39.3. To issue writs, orders to execute demolition, or seizure or closure of property in accordance with its decision;
- 39.4. To issue preliminary or permanent injunctions, whether prohibitory or mandatory, in all cases in which it has jurisdiction, and in which the pertinent provisions of the Rules of Civil Procedure shall apply;
- 39.5. To hold any person in contempt, directly or indirectly, and impose appropriate penalties thereof;
- 39.6. To impose administrative fines and/or penalties for violation of this Act, the Urban Development and Housing Act and other laws implemented by the Commission, including pertinent rules and regulations, orders, decisions and/or rulings: *Provided*, that the maximum fines or penalties to be imposed shall not exceed Five Hundred Thousand Pesos (P500,000.00): *Provided further*, that the

Commission may adjust such rates not more than once every three (3) years;

- 39.7. To determine and order the payment by the losing party of the cost of the litigation incurred by the winning party and prescribe the manner in which such payments shall be made;
- 39.8. To deputize any law enforcement agency in the execution of its final orders, rulings or decision; and
- 39.9. To exercise such other powers as implied, necessary, or incidental to carrying out the express powers granted to the Commission or to achieve the objectives and purposes of this Act, and other laws implemented by the Commission.

The Chairperson, aided by the Executive Clerk of the Commission, shall have administrative supervision over the Commission and its regional branches and all its personnel including the Housing and Land Use Arbiters.

Section 40. Composition and Qualification of Members. The Commission, shall be composed of a Chairperson and fourteen (14) full-time Members to be appointed by the President, majority of whom shall be members of the Philippine Bar while the others shall have a background or experience in urban development planning, development and implementation of shelter programs for urban poor communities, management, architecture, civil engineering, and other related fields. They must have been engaged in the practice of their respective professions or specialization or employed in an appropriate office for a period of at least five (5) years. In addition, no person who has been convicted of a crime involving moral turpitude shall be appointed as members of the commission.

The Commission may sit *en banc* or in five (5) divisions, each composed of three (3) members. Subject to the penultimate sentence of this paragraph, the Commission shall sit *en banc* only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its divisions and regional offices and formulating policies affecting its administration and operations. The Commission shall exercise its adjudicatory and all other powers, functions and duties through its divisions. Of the five (5) divisions, the first, second and third divisions shall handle cases coming from the National Capital Region and parts of Luzon. The fourth and fifth divisions, cases from the Visayas and Mindanao respectively; *Provided*, That the Commission sitting *en banc* may, on temporary or emergency basis, allow cases within the jurisdiction of any division to be heard and decided by any other division whose docket allows the additional workload and such transfer will not expose litigants to unnecessary additional expense: *Provided further*, that the Commission shall designate one (1) division to hear and resolve cases involving eviction and relocation of urban poor communities. Each division of the

Commission shall have exclusive appellate jurisdiction over cases within its territorial jurisdiction.

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

The conclusions of a division in any case submitted to it for decision shall be reached in consultation ordained therein. A certification to this effect signed by the Presiding Commissioner of the division shall be issued and a copy thereof attached to the record of the case and served upon the parties. The Chairperson shall be the Presiding Commissioner of the first division and the four (4) other senior members shall be the Presiding Commissioners of the second, third, fourth and fifth divisions, respectively. In the case of the absence or incapacity of the Chairperson, the Presiding Commissioner of the Second Division shall be Acting Chairperson.

The Chairperson, aided by the Executive Clerk of the Commission, shall have Administrative supervision over the Commission and its regional branches and all its personnel including the Executive Housing and Land Use Arbiters.

The Commission, when sitting *en banc* shall be assisted by the Executive Clerk and, when acting through its Divisions by the Division Clerk, respectively, who shall perform such similar or equivalent functions and duties as are discharged, by the Clerk of Court and Deputy Clerk of Court of the Court of Appeals.

Section 41. Term and Compensation. The Members of the Commission shall be appointed for a term of six (6) years without prejudice to reappointment after said term shall have expired. The Chairperson and Members of the Commission shall receive an annual salary at least equivalent to that of, and be entitled to the same allowances and benefits as, an Undersecretary and Assistant Secretary of the Department, respectively.

The incumbent full-time Commissioners of the present HLURB shall remain in the office unless they opt to avail of the retirement and separation benefits provided in Section 50 of this Act or are sooner removed for cause.

Section 42. Housing and Land Use Arbiters, Qualifications, Powers and Functions. The qualifications, powers and functions of the housing and Land Use Arbiters shall be as indicated hereunder:

- 42.1. The Secretary, upon recommendation of the Chairperson of the Commission, shall appoint Housing and Land Use Arbiters as the needs of the service may require for each administrative region/
- 42.2. No person shall be appointed Housing and Land Use Arbiters unless he/she is a member of the Philippine Bar with at least three (3) years experience or exposure in the field of real estate and land use development cases;
- 42.3. The Housing and Land Use Arbiters shall receive an annual salary at least equivalent to that of, and be entitled to the same allowances and benefits, as an Assistant Regional Director of the Department.
- 42.4. The Housing and Land Use Arbiters shall have original and exclusive jurisdiction to hear and decide cases enumerated in Section 35 of this Act.

Section 43. Jurisdiction. The Housing and Land Use Arbiters shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

43.1 On Real Estate

- a) Unsound and fraudulent real estate business practices;
- b) Claims for refund against project owners, developers, dealers, brokers and salespersons;
- c) Specific performance of contractual and statutory obligations filed by buyers of subdivision lots or condominium units against the owner, developer, dealer, broker or salespersons;
- d) Squatting on subdivision lots;
- e) Eviction and relocation of squatter communities;
- f) Disputes involving buyer-financing agreements with any financing institution for condominium/subdivision projects;
- g) Disputes involving easements or right of way arising from the development of subdivision and housing projects;

- h) Disputes between : (1) land owners and developers, and (2) banks and developers, whenever the interest of buyers of subdivision lots, or house and lots, or condominium units are involved;
- i) Releases of mortgage titles of subdivision lots and condominium units;
- j) Disputes involving easement of waterways, drainage, connections and light and view arising from the development of subdivision and housing projects;
- k) Disputes involving homeowners associations and condominium corporations, whether intra corporate or inter corporate;
- l) Claims of broker/salesmen for unpaid commissions for condominium/sub-division projects;
- m) Other related cases arising from contractual or statutory obligations of owners, dealers, brokers or salesmen towards lot or unit buyers; and
- n) Regulation of the relationship between residential lessors and lessees that are governed by the Rent Control law.

43.2 On Shelter and Land Use Planning and Regulation - Decisions and actions of:

- a) local housing boards or provincial governments, highly urbanized independent component cities and the cities and municipalities of Metro Manila;
- b) regional and local physical planning and zoning bodies, including zoning boards of adjustment and appeals on complaints alleging violations of local zoning ordinances not involving land conversion issues; and (3) provincial and component independent city governments with respect to applications relative to permits and licenses issued and issuance of Cease and Desist Orders and administrative fines.

43.3 On Shelter Rights - Violations of Administrative rules and regulations implementing Sections 18 and 28 of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act. The Commission shall have exclusive appellate jurisdiction over all cases decided by the Housing and Land Use Arbiters.

Section 44. Criminal Prosecution. Criminal prosecution for violation of housing laws and regulations shall be instituted before regular courts with appropriate jurisdiction.

Section 45. Sheriff. The Commission shall appoint a sheriff or such number of sheriffs in its central and regional branches. No person shall be appointed to the position of sheriff unless he is a second grade civil service eligible and has finished at least two (2) years of college. The sheriff shall be responsible for the service or execution of all writs, summons and orders and other processes of the Commission.

Section 46. Appearances. A lawyer appearing for a party is presumed to be properly authorized for that purpose. A non-lawyer may appear before the Commission's Housing and Land Use Arbiter only if: a) he/she represents him/herself as a party to the case; or b) he/she represents his/her organization or members thereof: *Provided* that he/she shall be made to present written proof that he/she is properly authorized.

Section 47. Appeals. Decisions, awards or orders of the Housing and Land Use Arbiters shall be final and executor unless appealed to the Commission within ten (10) calendar days from receipt thereof. The appeal may be entertained only on any of the following grounds:

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

Decisions of the Commission can be appealed only to the Court of Appeals by way of a Petition for Review within fifteen (15) days from notice of judgment, award or order pursuant to Rule 43 of the 1997 Rules of Civil Procedure.

Section 48. Prohibition Against Restraining Order or Injunction. No lower court of the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction or permanent injunction against the Commission or its Housing and Land Use 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, shelter, buildings, settlements, urban development, disaster rehabilitation and just and humane eviction or demolition procedures.

Section 49. Pending Cases. All cases pending in court arising from or in connection with the implementation of pertinent laws on housing, shelter, buildings, settlements, urban development, disaster rehabilitation and just and human eviction/ demolition procedures shall continue to be heard, tried and decided to their finality.

ARTICLE XI

FUNCTIONS OF LOCAL GOVERNMENTS IN RELATION TO SHELTER, SETTLEMENTS, BUILDINGS AND URBAN DEVELOPMENT

Section. 50. Continuing Devolution of Functions to Local Governments. The national government, through the Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation, and in consultation with the Department of Interior and Local Government and the local governments, shall formulate and implement a continuing devolution program for shelter and urban development sector functions, responsibilities, authority and accountability, in accordance with the principles of sector governance stipulated in this Act.

Section 51. Devolution of Rule Enforcement Functions to Provinces and Independent Component Cities. The following regulatory functions of the Housing and Land Use Regulatory Board as provided for in Executive Order No. 648, dated 07 February 1981, as amended by Executive Order No. 90 dated 17 December 1986, are hereby devolved to provincial governments, independent component city governments and the cities and municipalities of the Metropolitan Manila Area; *Provided*, that all rule promulgation and enforcement functions and activities of local government units, are in accordance with the prescribed regulatory framework and policies as well as guidelines issued by the Department of Shelter, Settlements, Urban Development and Disaster Rehabilitation:

- 51.1 Review, evaluate and approve or disapprove comprehensive local development plans, local land use plans and zoning ordinances of component cities and municipalities and building and site plans and designs: the zoning components of civil works and infrastructure projects of national, regional and local governments; subdivision, condominium, building, site or estate development projects including industrial estates, of the public and private sectors; and urban renewal and regeneration plans, programs and projects; issuance of development, building, ancillary and accessory permits; *Provided*, that the review and approval of such comprehensive local development plans, local land use plans and zoning ordinances and estate, subdivision, building and site plans and designs shall respect the classification of public lands for forest purposes as certified by

the Department of Environment and Natural Resources; and Provided that the classification of specific alienable and disposable lands by the Bureau of Lands shall be in accordance with the relevant zoning ordinance of the local government where such lands are located; and the provisions of R.A. No. 6657 with regard to the lands distributed, and issued notice of coverage under the Comprehensive Agrarian Reform Program (CARP) as certified by the Department of Agrarian Reform; *Provided, further*, that nothing in this Section shall be construed as repealing, amending or modifying in any manner, the provisions of R.A. No. 6657;

- 51.2 Registration of subdivision lots and condominium projects; issuance of licenses to sell subdivision lots and condominium units in the registered units; approval of performance bond and the suspension of license to sell; approval or mortgage on any subdivision lot or condominium unit made by owner or developer; granting of permits for the alteration of subdivision and condominium plans and designs and the extension of period for completion of subdivision or condominium projects, subject to the standards and requirements of the Department;
- 51.3 Impose fines and penalties as may be allowed under existing laws or Department policies, and guidelines;
- 51.4 Conduct public hearings and consultations on the promulgation of regulation;
- 51.5 Formulate and adopt rules and procedures for rule enforcement;
- 51.6 Provide information to the Department necessary in the monitoring of local urban development and Shelter Programs and Disaster Rehabilitation Projects in accordance with the report content and formatting guidelines of the Department; and
- 51.7 Perform such other related regulatory functions as may be provided for by law.

ARTICLE XII

TRANSITORY PROVISIONS

Section 52. *Transfer of Functions.* The following functions are hereby transferred as stipulated hereunder:

- 52.1. The rule, standards and guidelines formulation functions of the Housing and Land Use Regulatory Board is hereby transferred to the

Department, while its rule promulgation and enforcement functions are hereby transferred to the provincial governments, independent component cities and to the cities and municipalities comprising the Metropolitan Manila Area.

- 52.2 The registration of incorporation of homeowners associations and condominium corporations are hereby transferred to the regional offices of the Department.

Section 53. *Formulation of Regulatory Framework and Devolution Implementation Program.* The Department shall formulate a regulatory framework and design the necessary policies, standards, guidelines and procedures to guide the rule promulgation and enforcement functions of provincial governments, independent component cities and the cities and municipalities of the Metropolitan Manila Area. The Department shall formulate and implement a devolution plan which shall include a multi-year capacity building program, and technical assistance services for the institutional capacity of provincial governments, independent component cities and the cities and municipalities of the Metropolitan Manila Area and the gradual transfer of regulatory functions, and the turnover of the pertinent records and transactions to the pertinent local governments which should be completed within Five (5) years from the effectivity of this Act.

Section 54. *Abolition and Conversion of Agencies.* The following dispositive actions shall be implemented within six (6) months from the effectivity of this Act:

- 54.1. The Housing and Urban Development Coordinating Council. Its functions, assets, equipment, funds, choses in action, records and perotinent transactions, shall be transferred and absorbed by the Department subject to its staffing patter and the selections process as prescribed under Republic Act No. 6656 on the Rules on Government Reorganization.

- 54.2 The Housing and Land Use Regulatory Board is hereby converted to and renamed as the Housing and Urban Development Adjudication Commission. Its assets, equipment, funds, personnel, pertinent records, and pertinent transactions of the Board are hereby transferred to the Commission. The regional offices, staffing, operating systems and procedures and new budget within six (6) months from the effectivity of this Act.

Section 55. *Dissolution of Existing Housing Agencies and Corporations.* To fully integrate all the functions and activities of the Government, as well as minimize duplication of work and thus achieve economy, efficiency and effectiveness of operation in the management of the Department of Shelter and Urban Development, the Housing and Urban Development Coordinating

Council (HUDCC), the Presidential Committee for Mass Housing, the National Housing Authority (NHA), The National Home Mortgage Finance Corporation (NHMFC), the Home Insurance Guaranty Corporation (HIGC) and the Housing and Land Use Regulatory Board (HLURB) are hereby abolished within six (6) months from the effectivity of this Act subject to Section 33 of this Act, with its qualified personnel to be absorbed by the Department.

The National Building Code Development Office, the Bureau of Design and the Board of Consultants, all of the Department of Public Works and Highways shall also be transferred to the ONBO of the Department.

Section 56. *Transfer of Power and Functions.* The powers and functions of the abolished agencies and corporations and transferred offices are hereby conveyed to the Department.

The powers vested in the DPWH Secretary as the National Building Official under P.D. No. 1096 are also hereby transferred to the Secretary of the Department of Shelter and Urban Development.

Section 57. *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 Housing and Urban Development Coordinating Council, Presidential Commission on Mass Housing and all other agencies, corporations of the government whose functions and powers have been transferred to the Department, and all their pertinent funds, records, property, assets, equipment and such personnel, as may be necessary, including unexpended portions of their appropriations and/or allocations, all contracts and liabilities of said offices, agencies, and government units are hereby transferred to and assumed by the department and shall be acted upon in accordance with the auditing code and other pertinent laws, rules, and regulations.

Section 58. *Staffing Pattern.* The Secretary shall, with the end in view of creating a lean but effective organization, prescribe and approved the organizational framework and staffing pattern within sixty (60) days after the approval of this Act. The organization, staffing, and compensation standards shall be based on existing budgeting and compensation rules and regulations.

The authorized positions created therein shall be filled by regular appointments by the President or the Secretary as the case may be: *provided*, that, in the filling of positions created, preference shall be given to the personnel of abolished agencies: *provided*, however, that such individuals comply with the qualification standards set by the Civil Service Commission for the positions that they shall be appointed to: *provided*, finally, that, if such individuals possess the same qualifications, seniority shall be given priority.

Section 59. *Positions in the Department Requiring the Services of Registered and Licensed Architects.* Upon the effectivity of this Act, all existing and proposed positions in the Department, whether career, permanent, temporary or contractual and primarily requiring the services of an Architect shall be filled only by registered and licensed architects, to fully comply with Sec. 35 of R.A. No. 9266.

Similarly, positions in the Department requiring the services of registered and licensed environmental planners shall be filled only by such State-regulated professionals.

Section 60. *Transition Period.* All transfer of functions, assets, funds, equipment, property, transactions and personnel in affected national government agencies; and the formulation and implementation of the internal organic structures, staffing patterns, operating systems and revised budgets of the Department, shall be completed within six (6) months; provided, that the officers and employees of the abolished offices, agencies, and government units shall continue, to assume their posts in holdover capacity until such time as the Department has been organized and the new officers and employees have been appointed pursuant to the provisions of this act.

Section 61. *Impact Mitigation Strategy.* The Secretary shall formulate and implement respective impact mitigation strategies of the Department and its attached agencies/corporations that will minimize adverse effects on existing personnel of the creation or modification of organization structures and staffing of the Department and its attached agencies, in accordance with the pertinent provision of the Civil Service Code, the Administrative Code, and pertinent budgetary rules and regulations. Employees separated from the service as a result of the abolition or reorganization under the provisions of this Act shall, within one (1) month from their separation, receive a separation pay equivalent to one hundred fifty percent (150%) of their monthly basic salary for every year of service in the government: *Provided* that those who are qualified to retire under existing retirement laws shall be allowed to retire and be entitled to all benefits provided under said retirement laws and shall receive said benefits within ninety (90) days from their separation from service.

Section 62. *Gratuity.* Employees separated from the service as a result of the abolition or reorganization under the provisions of this Act shall, within one (1) month from their separation, be paid the money value of his/her accumulated vacation and sick leave, and such retirement gratuity as may be due him/her under existing retirement laws. Any of the employees and laborers who do not qualify under any existing retirement law shall be paid one hundred fifty percent (150) of their monthly basic salary for every year of service in the government, payable in lump sum; provided however that those who avail of such privileges shall start their government service anew if subsequently absorbed and government owned entity.

Section 63. *Formulation of Implementing Rules and Regulations and Other Implementation Mechanisms.* The following implementing rules and regulations (IRR) shall be prepared and issued as indicated hereunder:

- 63.1. The Implementing Rules and Regulations for the operationalization of the Commission and the conversion of the HLURB into the Commission, within sixty (60) days upon approval of this Act.
- 63.2. The Implementing Rules and Regulations for the cration of the Department, the abolition of the HUDCC and the transfer and refocusing, as the case may be, of the attached agencies, within sixty (60) days upon approval of this Act.
- 63.3. The Promulgation of the rules and regulation governing the hearing and dispositions of cases and other adjudication functions of the Commission, within six (6) months after the constitution of the Commission.
- 63.4. The Urban Development Planning System, and the corresponding implementing guidelines, to be completed and operational within six (6) months upon approval of this Act and the updated Housing and Urban Development Framework and Plan completed within one (1) year upon approval of this act.

ARTICLE XIII

IMPLEMENTATION AUTHORITY AND FUNDING

Section 64. *Implementing Authority.* The Secretary of the Department is hereby authorized to undertake the implementation of the provisions of this Act and implement the necessary organizational changes within the specified six (6) month transition period

Section 65. *Authority if Attached Agencies to Reorganize.* The boards of attached corporations and agencies and the [Chairperson and Commissioners] Unit Heads of the Department are hereby authorized to make the necessary changes and improvements in their respective internal formal structures. Operating systems, staffing and budget configuration in order to implement the newly mandated or refocused mandates and functions stipulated in this Act.

Section 66. *Protection of Security of Tenure by Affected Personnel.* The existing authority granted pursuant to the preceding two Sections shall be governed by the provision of R.A. No. 6657 and the relevant civil service rules

and regulations in order to protect the security of tenure of personnel who shall be affected by the reorganization.

Section 67. *Funding.* The amount in excess of the unreleased balance of the budgets of the Department which is needed for the initial implementation of this Act, as may be determined by the Secretary in the case of the Department of Shelter and Urban Development shall be released by the Department of Budget and Management within thirty (30) days upon submission by the Department and the Commission of their respective budget estimates.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 68. *Mandatory Review of the Implementation of this Act.* The Department shall conduct and submit a report to Congress a review of the implementation and enforcement of this Act, at the end of the second year after the effectivity of this Act for implementation at the national government level, and at the end of the fifth year with respect to the devolution of functions to local governments.

Section 69. *Enforcement of the Act.* It shall be the primary duty of the Department to effectively enforce the provisions of this Act. All duly constituted law enforcement agencies and officers of national, provincial, city or municipal government or of any political subdivision thereof, shall, upon the call or request of the Department, render assistance in enforcing the provisions of this Act and to prosecute any person violating the provisions of the same.

The Secretary of Justice or his/ her duly designated representative shall act as legal adviser to the Department and shall render legal assistance as may be necessary in carrying out the provisions of this Act.

Any person may bring before the Department or the aforementioned officers of the law, complaints relating to violations of this Act committed by any person or party.

The Department shall file the appropriate charges through the concerned prosecution office in accordance with law and the rules of court.

Section 70. *Repealing Clause.* All laws, ordinances, rules, regulations, and other issuances or parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

Section 477 of R.A. No. 7160 is expressly repealed to permit the Secretary to appoint or re-appoint duly-qualified building officials at all local government units.

The inconsistent provisions of P.D. No. 1096, otherwise known as the 1977 National Building Code of the Philippines, or its successor law, particularly those dealing with the functions of the DPWH Secretary as the National Building Official and of the DPWH as the primary implementing agency and enforcer of the National Building Code, are hereby expressly repealed.

Section 71. *Separability Clause.* Any portion or provision of this Act that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

Section 72. *Effectivity.* This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,