

Republic of the Philippines
HOUSE OF REPRESENTATIVE
Quezon City

SEVENTEENTH (17th) CONGRESS
First Regular Session

HOUSE BILL NO. 5114



Introduced by REP. CRISTAL L. BAGATSING

EXPLANATORY NOTE

The bill entitled, “ *An Act Creating the Department of Housing, Planning and Urban Development, Defining its Powers and Functions and Streamlining the Government Housing Program,*” was first filed in the 8th Congress by Rep. Amado Bagatsing. Since then, it has been consecutively re-filed in Congress. This bill was passed in the 3rd Reading, and was transmitted to the Senate for the appropriate action.

The bill will also be a step towards providing decent and affordable housing to every Filipino family the soonest possible time, and in the least cumbersome manner, which is in line with the Urban Land Reform and Housing provision under Section 9, Article XIII on Social Justice and Human Rights of the 1987 Constitution, which commands that:

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

Under this bill, a new department shall be called “The Department of Housing, Planning and Urban Development.” which shall have the mandate to manage and implement government housing and urban development program. It shall be the only agency to plan, make, regulate, coordinate and monitor all housing and urban development concerns that will focus to affordability of decent housing and basic services, pursuant to section 9, Article XIII of the 1987 Constitution.

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


CRISTAL L. BAGATSING
Representative
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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
FIRST REGULAR SESSION

House Bill No. 5114

Introduced by Honorable Cristal L. Bagatsing

AN ACT

**CREATING THE DEPARTMENT OF HOUSING, PLANNING AND URBAN
DEVELOPMENT, DEFINING ITS MANDATES, POWERS AND FUNCTIONS,
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

CHAPTER I
TITLE AND DECLARATION OF POLICY

SECTION 1. *Short Title.* – this Act shall be known as the “Department of Housing
and Urban Development Act”

SECTION 1. *Declaration of Policy.* – The State shall, by law and for the common
good, undertake, in cooperation with the private sector, a continuing program of housing and
urban development which shall make available at affordable cost, decent housing and basic
services to under-privileged and homeless citizens in urban centers and resettlement areas. It
shall also promote adequate employment opportunities to such citizens. In the implement of
the program, the State shall respect the rights of small property owners.

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

The state shall ensure that poor dwellers in under or rural areas shall not be evicted
nor their dwelling demolished, except in accordance with law.

In addition, the State shall encourage on-site development in the implementation of housing programs and shall promote the creation of new Settlements and development of sustainable urban renewal programs.

CHAPTER II DEFINITION OF TERMS

SEC.3. *Definition of Terms.* – As used in this Act:

- a) *Attachment* refers to the lateral relationship between a department and the attached agency or corporation for the purposes of policy and program coordination, and as defined in the Administrative Code
- b) *Housing* refers to a multi-dimensional concept relating to the process of residing and the objects of dwelling whose main attributes are location relative to access to livelihood, tenure arrangements, cost and physical structure, as well as their environment . Housing is likewise a physical structure as well as a social structure, functioning at different spatial scales from homes, neighborhoods, communities, municipalities, cities, provinces, and regions. It is also a sector of the economy, an important category of land use in both urban rural areas, especially in cities, and is an important factor in the overall dynamics of the urban system.
- c) *Informal Settler Families (ISFs)* refer to household living in:
 - 1) a lot without consent of the property owner;
 - 2) danger areas such as esteros, railroads tracks, garbage dumps, riverbanks, shorelines, and waterways;
 - 3) areas for government infrastructure projects;
 - 4) protected/forest areas (except for indigenous people);
 - 5) areas for priority development (APD) as declared in PD 1967 series 1980, if applicable; and
 - 6) other government/public lands or facilities not intended for habitation.
- d) *Urban Development* refers to the process of occupation and use of land or space for such activities as residential, industrial, commercial, and like or their combinations, necessary to carry out the functions of urban living. It entails the building or rebuilding of more less permanent structures over land that is often withdrawn or converted from its original use, resulting in the creation of a built environment.

CHAPTER III

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 4. *Creation and Mandate of the Department of Housing and Urban Development.*

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

SEC. 5. *Powers and Functions.* – The Department shall;

- a) formulate the national and urban development and housing policy and strategy that is consistent with the Philippine Development Plan to promote social and economic welfare, in coordination and consultation with the stakeholders, local government units (LGUs), and other government agencies;
- b) exercise initiative and assume a lead role in coordinating, supervising, and integrating all government activities relative to housing and urban development;
- c) formulate housing finance policies to promote the establishment of a self-sustaining housing finance system;
- d) develop and maintain a housing database that shall include a shelter and urban development management information system;
- e) develop mechanism and programs that will initiate and promote the establishment of new settlements and urban renewal programs;
- f) oversee the fast-tracked development and management of proclaimed housing sites, including the use of these land assets as resource mobilization strategy to raise alternative funds in developing new town housing projects which shall serve as central relocation sites for the affected informal settlers
- g) develop effective and efficient financing programs for housing beneficiaries and developers;
- h) ensure the Department's participation in sustainable development, climate change adaption and disaster risk reduction.,
- i) enter into contact, joint venture agreements, public-private partnerships, and memoranda of agreement of understanding, either domestic or foreign, under such terms and conditions as the Department may deem proper and reasonable and subject to existing laws;

- j) discharge all responsibilities of government that may arise from treaties, agreements and other commitments on housing and urban development to which government is a signatory, including the determination of forms of assistance for housing and urban development to be sourced through bilateral or multilateral loans or assistance programs;
- k) receive, take, and hold by bequest, device, gift, purchase or lease, either absolutely or in trust for any of its purposes, from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitations provided under existing laws and regulations;
- l) exercise oversight functions, coordinate, monitor and evaluate the policies and programs of all its attached agencies;
- m) conduct continuing and comprehensive studies and research necessary for housing and urban development;
- n) assist LGUs in strengthening the role and building the capability of provinces, cities, and municipalities as the primary entities for urban development and management;
- o) monitor local government compliance with housing and urban development laws, standards and guidelines, as well as on their judicious and fair application of local housing and urban development ordinances;
- p) support local government partnerships with communities, civil society organizations, non-governmental organizations, and private groups in the implementation of urban development and management;
- q) develop and establish a sector performance monitoring and assessment mechanism to monitor and independently report on the performance of national government agencies and LGUs involved in the housing and urban development and ensure continuing improvements in sector policy and strategy formulation;
- r) declare an identified area as an Urban Development, New Settlement Site or Renewal Site and jointly with the concerned LGU, develop and implement sub-projects under a Public-Private Partnership (PPP) arrangement;
- s) advocate for and assist the LGUs in the establishment of a Special Housing Fund (SHF) to be sourced from the proceeds of Real Property Tax (RPT) pegged at one per centum (1%) of the assessed value of real property which shall be exclusively used for the new settlement projects with housing and urban development new settlement projects and renewal projects of the LGUs;
- t) conduct the pre-and post proclamation activities as orchestrator and facilitator of the entire disposition process, including the stewardship of the Local Inter-Agency Committees' (LIACS) which are primarily tasked to oversee the implementation of housing proclamation projects;
- u) implement a single regulatory system that shall govern all activities relative to the planning, production, marketing, and management of housing and urban development projects;
- v) declare, upon petition of the homeowners association and after due notice and hearing, a subdivision or condominium project as abandoned and grant the petitioner the authority to take over, cause, or initiate the development and completion of the project at the expense of the owner or developer, jointly and severally: Provided, That, for purposes of this Act, and where the

developer can no longer be located, the roads in the abandoned subdivision project shall become public in character one (1) year after the declaration of abandonment of the project;

w) encourage private sector participation in the housing industry;

x) promote and accredit the use of indigenous material and technologies in housing construction;

y) implement prototype projects in housing and urban development undertakings, with the right to exercise the power of eminent domain, when necessary;

z) determine, fix and collect reasonable fees and charges necessary for the effective implementation of all laws, rules and regulations enforced by the department and impose reasonable fines penalties for violation thereof;

aa) register, regulate and provide community development programs for Homeowners Associations (HOAs) and Condominium Units Owners Association/Corporation (CUOA/Cs) and other housing development associations;

bb) formulate and implement housing policies and programs for urban poor communities and informal settler families (ISFs) that shall promote the social and economic welfare of homeless families, particularly the poor and underprivileged;

cc) encourage deeper and active participation of a broader spectrum of citizenry through housing cooperatives and civil society organizations as the avenue for the assessment and recognition of their housing needs and, together with the local government units, serve as the implementing agencies of their housing and urban development programs; and,

dd) perform other related functions as may be mandated by law;

SEC.6. Composition. – The Department shall be composed of the Office of the Secretary, the Offices directly supporting the Office of the Secretary, the Offices of the Undersecretaries and their immediate staff, and its various bureaus and regional offices.

SEC. 7. The Secretary. – The Secretary shall:

a) advise the President on 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 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 control and supervision over all functions and personnel of the Department;

e) delegate authority for the performance of any substantive or administrative functions subordinate officials of the Department;

f) call on other agencies and instrumentalities of the government and private entities for cooperation and assistance to the Department in the performance of its functions; and

g) perform such other functions as may be provided by law or assigned by the President. The Secretary shall be a voting member of the National Economic and Development Authority (NEDA) Board and the governing Boards of the Social Security System (SSS), the Government Service Insurance System (GSIS), the Climate Change Commission (CCC), the National Disaster Risk Reduction Management Council (NDRMMC), and the Philippine Reclamation Authority (PRA). The Secretary shall be a member of NEDA's Committee on Infrastructure (INFRACOM), Investment Coordinating Committee (ICC) and Social Development Committee (SDC). The Secretary shall also be a member of the body authorized to formulate, prescribe, or amend guidelines pursuant to Republic Act No. 6957 as amended, otherwise known as the Build-Operate-Transfer (BOT) Law.

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

- a) one (1) Undersecretary for the Bureau of Policy Development and Program Coordination, Monitoring, and Evaluation;
- b) one (1) Undersecretary for the Bureau of Environmental, Land Use and Urban Planning and Development;
- c) one (1) Undersecretary for the Bureau of Regulation of Housing and Real State Development; and
- d) one (1) Undersecretary for the Bureau of Homeowners, Homeowners Associations, and Community Development.

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

SEC. 9. *Qualification and Appointment* – The Secretary and Undersecretaries shall be citizens and residents of the Philippines, of good moral character, and of proven competence and integrity. They shall all be appointed by the President. The Undersecretaries shall be career officers.

SEC.10. *Departmental Bureaus and Regional Offices.* – The Department shall establish, operate, and maintain the following Bureaus and other support offices;

- a) Policy Development and Program Coordination, Monitoring, and Evaluation Bureau;
- b) Environmental, Land Use and Urban Planning and Development Bureau;
- c) Housing and Real Estate Development Bureau;
- d) Community Development Bureau; and
- e) Legal and Support Services.

There shall be a Regional Office in all administrative regions, headed by a Regional Director. In addition to the existing functions of the HUDCC and the HLURB, the Regional Office shall perform such other functions as may be delegated by the Secretary.

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

CHAPTER IV

HUMAN SETTLEMENTS ADJUDICATORY COMMISSION

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

The HSAC is a quasi-judicial body with original and exclusive jurisdiction over all issues and controversies arising from the interpretation and implementation of Republic Act No. 7279, otherwise known as the *Urban Development and Housing Act*, All amendments thereto, and its implementing rules and regulation (IRR).

SEC. 13. *Transfer of Adjudicatory Function of the HLURB to the HSAC.* – The adjudicatory function of the HLURB is hereby transferred to the HSAC.

SEC. 14. *Composition and Qualification of Members.*– The HSAC shall be composed of the Secretary and nine (9) full-time Commissioners: Provided, That the term of incumbent Commissioners shall be respected : Provided, further , That the subsequent appointees of the President shall be members of the Philippine Bar, of which three (3) Commissioners shall have experience in Urban development planning, sustainable development, climate change adaptation, and disaster risk reduction; three (3) shall be nominees of the urban poor and homeowners associations; and three (3) shall come from the private sector.

The Commissioners must have been engaged in the practice of law for a period of at least five (5) years prior to their appointment.

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

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

The most senior Commissioner shall be the Presiding Commissioner of the First Division and the two (2) next senior Members shall be the Presiding Commissioners of the Second and Third Divisions, respectively: Provided, that each Division shall be composed of three (3) members shall have one (1) member representing the urban poor communities or the homeowners and homeowners associations.

For the purpose of this Act, precedence in seniority shall be determined on the order in which the appointments were issued by the Presidents.

SEC. 15. *Exercise of Adjudicatory Function and Other Powers.* - The HSAC, sitting en banc and presided over by the Secretary, shall promulgate the rules and regulations governing the hearing and disposition of cases before any of its Division and its Arbiters in its Regional Offices, and shall formulate policies effecting its administration and operations.

The HSAC shall exercise its adjudicatory and all other powers, functions, and duties through its Divisions. The Divisions of the HSAC shall have exclusive appellate jurisdiction over cases decided by its Arbiters.

The HSAC 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: Provided, That the transfer shall not expose litigants to unnecessary additional expense.

The HSAC sitting en banc may designate any Commissioner who shall exercise administrative supervision over the HSAC and its Regional branches and all their personnel, including the Arbiters.

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

SEC. 16. *Decisions and Resolutions.* - The concurrence of two (2) Commissioners of a Division shall be necessary for the pronouncement of a judgment or resolution. Whenever the required membership in a Division is not complete and the concurrence of two (2) Commissioners to arrive at judgment or resolution cannot be obtained, the most senior Commissioner shall designate into the Division such number of additional Commissioners from the other Divisions as may be necessary.

The conclusions of a Division on any case submitted to it for decision shall be reached through consultation before the case is assigned to a Member for the writing of the decision. It shall be mandatory for the Division to meet for the purposes of the consultation ordained herein. A certification to this effect, signed by the Presiding Commissioner of the Division, shall be issued and a copy shall be attached to the record of the case and served upon the parties.

SEC. 17. *Compensation.* - A Commissioner shall receive an annual salary of at least equivalent to an Undersecretary.

The incumbent full time Commissioners of the present HLURB pursuant to E.O. No.648 series of 1981 "*Reorganizing the Human Settlements Regulatory Commission*" shall remain in office unless they opt to avail of the retirement and separation benefits as provided for in Sec. 33 of this Act, or are sooner removed for cause.

SEC. 18. Jurisdiction. - In addition to the existing jurisdiction of HLURB, the Arbiters shall exercise original and exclusive jurisdiction over cases involving the following matters:

- a) cases involving real estate properties, subdivisions, and condominiums:
 - 1) squatting on subdivision lots and condominium units;
 - 2) cases arising from any violation of the mandatory requirements in the execution of eviction or demolition involving underprivileged and homeless citizens under Section 28 on *Eviction and Demolition* of Republic Act No. 7279, otherwise known as the *Urban Development Housing Act of 1992*;
 - 3) disputes involving buyer financing agreements with any financing institution for condominium or subdivision projects;
 - 4) easements of right of way in subdivisions;
 - 5) intra-corporate disputes involving condominium corporations;
 - 6) disputes between landowners and developers, and between banks/financing institutions and developers whenever the interest of buyers is involved; and,
 - 7) disputes involving the enforcement of Comprehensive Land Use Plans (CLUPs).
- b) violations of administrative rules and regulations implementing Section 7 on *Inventory of Lands*, Section 8 on *Identification of Sites for Socialized Housing*, Section 18 on *Balanced Housing Development*, and Section 28 on *Eviction and Demolition* of R.A No. 7279.
- c) cases submitted by parties which shall be heard and decided within (90) days:
 - (a) unsound and fraudulent real estate business practices;
 - (b) claims for refund against project owners, developers, dealers, brokers, or salesperson;
 - (c) specific performance of contractual and statutory obligation filed by buyers of subdivision lots or house and lots or of condominium units against the project owner, developer, dealer, broker or salesperson;
 - (d) cases for nullity of mortgage filed by the unit buyer against the developer as mortgagor and the financial institution as mortgagee;
 - (e) cases filed by subdivision or condominium owners or developers against lot or unit buyers relating to subdivision and condominium contracts but not limited to the collection or unpaid amortizations;

- (f) other related cases arising from contractual or statutory obligations of owners, dealers, brokers, or salesperson toward lot or house and lot or unit buyers;
- (g) intra and inter-corporate disputes between and among homeowners' associations.

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

SEC. 19. Powers and Authorities of the HSAC. - In addition to the adjudicatory powers given to HLURB, the HSAC shall:

- a) issue writs and orders restraining demolitions, seizures, or closures of property including temporary writs or orders restraining demolitions, or seizures, and closures of property;
- b) issue writs and orders to execute demolitions or seizures or closures of property in accordance with its decision or judgment;
- c) impose administrative fines or penalties or both for violation of R.A No. 7279, as amended, and other laws implemented by the HSAC, including pertinent rules and regulations, orders, decisions, or rulings: *Provided*, That the HSAC, may adjust such fines not more than once every three (3) years; and,
- d) exercise such other powers as are implied, necessary, or incidental to carry out the express powers granted to the HSAC or to achieve the objectives and purposes of this Act, and other laws implemented by HSAC.

SEC. 20. Institution of Criminal Prosecution. - The criminal prosecution of violation of housing laws and regulations shall be instituted before the appropriate criminal courts.

SEC. 21. The Arbiters – Qualifications and Appointment. The existing HLURB Arbiters shall be deemed qualified. Henceforth, additional Arbiters that shall be appointed must have been a member of the Philippine Bar for the least (3) years, with at least two (2) years of experience in or exposure to the field of real state and land use development cases.

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

The HSAC en banc shall have the power to assign the Arbiters to the Regional Offices.

SEC. 22. *The Sheriff.* – The HSAC shall appoint a Sheriff or such number of Sheriffs in its Central and Regional branches. To be appointed as Sheriff, one must be second grade Civil Service eligible and must have completed at least two (2) years of college. The Sheriff shall be responsible for the service and execution of all writs, summons, orders, and other processes of the HSAC.

SEC. 23. *Appeals.*– Decisions, awards, or orders of the Arbiters shall be final and executory unless appealed to the HSAC within fifteen (15) calendar days from receipt of the decisions, awards, or orders. 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 Arbiters in rendering the questioned decision, award, or order;
- b) if the decision, order, award was secured through fraud or coercion, including graft and corruption;
- c) if the appeal is made purely on questions of law; and
- d) if serious errors in the findings of facts are raised, which errors would cause grave or irreparable damage or injury to the appellant.

The decision of the HSAC upon any disputed matter may be brought to the Court of Appeals on a question of law and facts by way of a petition for review. For this purpose, the procedure on appeals from the regional trial court shall be followed as far as practicable and consistent with the purpose of this Act. An appeal from a decision of the HSAC must be filed within fifteen (15) calendar days from notice of judgment, award, or order sought to be appealed, pursuant to Rule 43 of the Rules of Court. If the decision of the HSAC involves only questions of law, the same shall be reviewed by the Supreme Court. No appeal bond shall be required. No appeal shall act as a *supersede as* or a stay of the order of the HSAC, unless the HSAC itself, or the Court of Appeals or the Supreme Court, shall so order.

SEC.24. *Prohibition against Restraining Order of Injunction* – No lower court of the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction or permanent injunction against the HSAC or its Arbiters in any case, dispute, or controversy arising from, necessary to, or in connection with the application, implementation, enforcement, or interpretation of the Act and other pertinent laws on housing and on just and humane eviction or demolition procedures.

SEC. 25. *Pending Cases.* – All cases pending in regular courts arising from or in connection with the implementation of pertinent laws on housing and on just and humane eviction and demolition, shall continue to be heard, tried, and decided to their finality by such courts.

CHAPTER V

ATTACHED AGENCIES

SEC. 26. *Attached Agencies and Corporations.* – The following agencies and corporations are hereby attached to the Department for policy and program coordination, monitoring and evaluation.

- a) National Housing Authority (NHA)
- b) Home Guaranty Corporation (HGC)
- c) National Home Mortgage Finance Corporation (NHMFC)
- d) Home Development Mutual Fund (HDMF); and
- e) Social Housing Finance Corporation (SHFC).

SEC. 27. *Nature of Attachment.* – Any provision of law, or the respective charters of the abovementioned corporations and agencies to the contrary notwithstanding, the Secretary shall, in an concurrent capacity, be the ex-officio Chairperson of the respective boards of the NHA, HGC, NHMFC, HDMF, and SHFC.

The agencies shall continue to function according to existing laws and their respective Charters. However, each of the heads of the attached agencies shall enter into a performance contract annually with the Secretary. Such contracts shall embody the national targets on housing and urban development and shall include the over all administration of the agency.

The reorganization, merger, streamlining of functions, abolition, or privatization of any attached GOCC shall be implemented with the concurrence of the Department Secretary pursuant to R.A. 6656 entitled “An Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization.

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

CHAPTER VI

TRANSITORY PROVISIONS

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

SEC. 29. *Implementing Authority.* – The Secretary 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.

SEC. 30. *Transfer of functions.* – The following functions are hereby transferred to the Department as stipulated hereunder.

- a) Regulatory function of the HLURB , including the formulation, promulgation, and enforcement of rules, standards, and guidelines;
- b) HLURB's monitoring function, including the imposition of penalties for non-compliance to ensure that LGU's will follow the planning guidelines and implement their CLUPSS/ZOs; and
- c) Registration of incorporation of homeowners associations and condominium corporations of the HLURB.

SEC. 31. *Transfer of Assets.* – The following dispositive actions shall be implemented within six (6) months from the effectivity of this Act:

- a) The transfer to the Department of the assets, equipment, funds, records, and pertinent transactions of HUDCC and HLURB; and
- b) The submission of the Department and the HSAC of a request to the DBM for the creation of additional positions and the augmentation of their budget appropriations as may be needed.

SEC. 32. *Absorption of Employees of the Consolidated Agencies.* – The present career employees of HUDCC and HLURB shall enjoy security of tenure and shall be absorbed by the Department, in accordance with its staffing pattern and selection process as prescribed under R.A. No. 6656, unless they are separated from the service by virtue of the reorganization resulting from this Act, or opt and are qualified to retire from service.

SEC. 33. *Separation from the Service.* – Unless absolutely required, no employee shall be separated from the service as a result of any reorganization or consolidation under the provisions of this Act. Nonetheless, employees so separated or phased out from the service shall, within one (1) month from their separation or phase out from the service receive separation benefits in accordance with existing laws.

In addition, those who desire and are qualified to retire shall be entitled to all benefits provided under the existing retirement laws.

SEC. 34. *Transfer of Rights and Obligation.* – The Department shall, by virtue of this Act, be subrogated to all rights and assume all the liabilities of the HUDCC and all other agencies of the government whose functions and powers have been transferred to it, and all their pertinent funds, records, property, assets, equipment and such personnel, including unexpended portions of their appropriations.

SEC. 35. *Implementing Rules and Regulations.* – The Secretary shall prepare and issue the implementing rules and regulations (IRR) of the Department within ninety (90) days upon the effectivity of this Act.

CHAPTER VII FUNDING

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

CHAPTER VIII FINAL PROVISIONS

Sec. 37. *Identification and Designation of Lands for Housing and Urban and Rural Development.*
– For the purpose of designing lands for housing and urban and rural development, the Department, the DENR, the DAR and the DA shall, within one hundred eighty (180) days from the effectivity of this Act, jointly identify agricultural lands which under R.A. No. 6657, otherwise known as the *Comprehensive Agrarian Reform Law*, and other existing laws, rules and regulations are already exempted from conversion requirements: *Provided*, That the list shall exclude lands that are declared as on-negotiable or protected from conversion under existing laws and issuances and those lands covered under R.A. No. 6657: *Provided*, further, That the designation of lands for housing and urban under R.A. No. 6657, non undermine the protected agricultural areas intended to ensure the attainment of food security under R.A. No. 8435, otherwise known as the *Agriculture and Fisheries Modernization Act* of 1997 (AFMA) and other existing laws: *Provided*, further, That in the case of lands exempted from conversion duly approved by the DAR and contested by an affected individual or community beneficiary shall be allowed without prior clearance or approval from the DAR or the DA, consistent with the terms of the approved order or conversion: *Provided*, finally, That all idle government lands in highly urbanized cities are hereby prioritized for housing and urban development purposes.

SEC. 40. *Separability Clause.* – If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect..

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

SEC. 42. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.