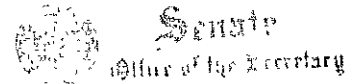


FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)



'12 MAY 14 P5:13

SENATE

RECEIVED BY: *Per*

COMMITTEE REPORT NO. 142

Submitted by the Committees on Urban Planning, Housing and Resettlement;
Finance; and Civil Service and Government Reorganization on
MAY 14 2012

Re: Senate Bill No. 3199

Recommending its approval in substitution of Senate Bill Nos. 66,136 and 751

Sponsors: Senators Marcos, Drilon, Trillanes IV, Ejercito Estrada and Committee
on Rules

MR. PRESIDENT:

The Committees on Urban Planning, Housing and Resettlement; Finance and
Civil Service and Government Reorganization to which were referred Senate Bill No.
66, introduced by the Committee on Rules, entitled:

**“AN ACT
CREATING THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT, RATIONALIZING THE ORGANIZATION AND
FUNCTIONS OF GOVERNMENT AGENCIES AND
CORPORATIONS RELATED TO HOUSING AND URBAN
DEVELOPMENT, AND FOR OTHER PURPOSES”**

Senate Bill No. 136, introduced by Senator Drilon, entitled:

**“AN ACT
CREATING THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND
FUNCTIONS, AND OTHER PURPOSES”**

and Senate Bill No. 751, introduced by Senator Ejercito Estrada, entitled:

**“AN ACT
DEFINING THE VISION AND POLICIES OF GOVERNMENT IN
THE HOUSING AND URBAN DEVELOPMENT SECTOR,
CREATING THE DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND
FUNCTIONS, AND FOR OTHER PURPOSES”**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. **3199**, prepared by the Committees, entitled:

**“AN ACT
CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
(DHUD), DEFINING THE MANDATES, POWERS, AND FUNCTIONS, PROVIDING
FUNDS THEREFOR AND FOR OTHER PURPOSES”**

be approved in substitution of Senate Bill Nos. 66, 136 and 751 with the Committee on Rules, Senators Drilon, Ejercito Estrada , Trillanes IV and Marcos as authors thereof.

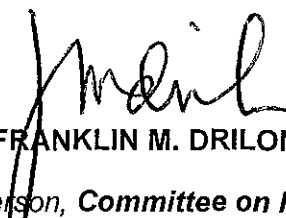
Respectfully submitted:


FERDINAND R. MARCOS, JR.

Chairman


ANTONIO "SONNY" F. TRILLANES IV

Chairperson, **Committee on Civil Service and Government Reorganization**



FRANKLIN M. DRILON
Chairperson, **Committee on Finance**

Members:

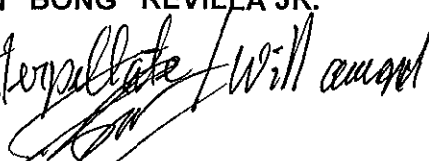

GREGORIO B. HONASAN II


LOREN LEGARDA


AQUILINO "KOKO" L. PIMENTEL III

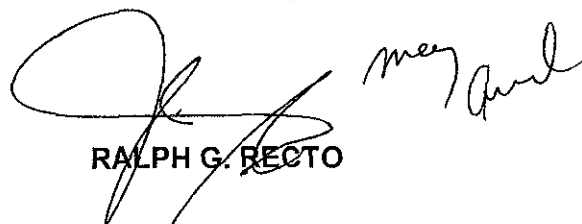

MANNY VILLAR
will interpellate & amend.

RAMON "BONG" REVILLA JR.


will interpellate / will amend

TEOFISTO L. GUINGONA III


MIRIAM DEFENSOR SANTIAGO


RALPH G. RECTO
may amend


FRANCIS "CHIZ" G. ESCUDERO


EDGARDO J. ANGARA



PANFILO M. LACSON



PIA S. CAYETANO



FRANCIS N. PANGILINAN



JOKER P. ARROYO



MANUEL "LITO" M. LAPID




SERGIO R. OSMEÑA III

Ex-Officio Members:



JINGGOY EJERCITO ESTRADA

President Pro-Tempore



VICENTE C. SOTTO III

Majority Leader



ALAN PETER "COMPAÑERO" S. CAYETANO

Minority Leader

Hon. JUAN PONCE ENRILE


President

Senate of the Philippines

Pasay City

12 MAY 14 05:13

S. No. 3199

RECEIVED BY: 

Prepared jointly by the Committees on Urban Planning, Housing and Resettlement; Finance and Civil Service and Government Reorganization with the Committee on Rules, Senators Drilon, Ejercito Estrada, Trillanes IV and Marcos as authors

**AN ACT
CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
(DHUD), DEFINING THE 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 Congress assembled:

1

CHAPTER 1

2

TITLE AND POLICIES

3

Section 1. Title. - This Act shall be known as the "*Department of Housing and Urban Development Act of 2012.*"

5

Section 2. Declaration of Policies. - The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban development and housing which will make available at affordable cost, decent housing and basic services to underprivileged and homeless citizens. 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.

12

13

The State shall pursue the realization of a modern, humane, economically viable and environmentally sustainable society where the urbanization process is

1 manifest in towns and cities being centers of productive economic activity, through
2 partnerships with multi-stakeholders; where urban areas have affordable housing,
3 sustainable physical and social infrastructure and services facilitated under a
4 democratic and decentralized system of governance; and where urban areas provide
5 the opportunities for an improved quality of life and the eradication of poverty.

6 Urban or rural poor dwellers shall not be evicted nor their dwelling
7 demolished, except in accordance with law.

8 CHAPTER II

9 DEFINITION OF TERMS

10 **Section 3. Definitions.** - As used in this Act, the following terms shall mean:

11 3.1 *Attachment* - refers to the relationship between the department and the
12 attached agency or corporation for purposes of policy and program coordination and
13 as further defined under the Administrative Code of 1987.

14 3.2 *Housing* - refers to the system and its components which establish the
15 residential quality of life, including housing, utilities, access to social services and
16 other community facilities, security, and other aspects related to an individual's
17 residence.

18 3.3 *Informal Settler Families (ISFs)* refer to household/s living in: (a) lot
19 without consent of the property owner; (b) danger areas; (c) areas for government
20 infrastructure projects; (d) protected/forest areas (except for indigenous people); (e)
21 Areas for Priority Development (APDs), if applicable; and/or (f) other
22 government/public lands or facilities not intended for habitation.

23 3.4 *Urban Development* – pertains to the process of occupation and use of
24 land or space for such activities as residential, industrial, commercial and the like or
25 their combinations, necessary to carry out the functions of urban living. It entails the

1 building or rebuilding of more or less permanent structures over land that is often
2 withdrawn or converted from its original use, resulting in the creation of a built
3 environment.

4 CHAPTER III

5 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

6 **Section 4. *Creation and Mandate of the Department of Housing and***
7 ***Urban Development.*** - There is hereby created the Department of Housing and
8 Urban Development (DHUD), hereinafter referred to as the Department, by
9 consolidating the functions of the Housing and Urban Development Coordinating
10 Council (HUDCC) and the planning and regulatory functions of the Housing and
11 Land Use Regulatory Board (HLURB), which shall act as the primary national
12 government entity responsible for the management of housing and urban
13 development. It shall be the sole and main planning and policy-making, regulatory,
14 program coordination, and performance monitoring entity for all housing and
15 urban development concerns, primarily focusing on the access to and affordability of
16 the basic human needs.

17 **Section 5. *Powers and Functions.*** - The planning and regulatory function of
18 the Housing and Land Use Regulatory Board (HLURB) is hereby transferred to the
19 Department.

20 In addition thereto, the Department shall perform the following:

21 5.1. Formulate the national and urban development and housing policy and
22 strategy, in coordination and in consultation with the stakeholders, which ensures
23 consistency with the Philippine Development Plan (PDP) and the National Physical
24 Framework Plan (NPFP) to promote social and economic welfare;

1 5.2. Exercise initiative and assume a lead role in coordinating, supervising
2 and integrating all government activities relative to housing and urban
3 development;

4 5.3. *Formulate effective and efficient housing finance policies and programs*
5 to promote the establishment of a self-sustaining, private sector-led housing
6 finance system;

7 5.4. Manage and oversee the development of proclaimed housing sites,
8 including the use of land assets as resource mobilization strategy to raise alternative
9 funds in developing new town housing projects which will serve as central relocation
10 sites for the affected Informal Settlers;

11 5.5. Utilize income generated from fees, fines, charges, and other collections
12 in the performance of its functions, to defray operating expenses;

13 5.6. Enter into contracts, joint venture agreements, public-private
14 partnerships, and such other memorandum of agreements/understanding, either
15 domestic or foreign, under such terms and conditions as it may deem proper and
16 reasonable subject to existing laws;

17 5.7. Discharge all responsibilities of government as may arise from treaties,
18 agreements and other commitments on housing, land use and urban development to
19 which it is a signatory, including the determination of forms of assistance for housing,
20 land use and urban development to be extended through bilateral or multilateral
21 loans and/or assistance program;

22 5.8. Receive, take and hold by bequest, device, gift, purchase or lease, either
23 absolutely or in trust for any of its purposes from foreign and domestic sources, any
24 asset, grant or property, real or personal, subject to such limitations provided under
25 existing laws and regulations;

1 5.9. Exercise oversight function, coordinate, monitor and evaluate the
2 policies and programs of all attached agencies;

3 5.10. Conduct comprehensive studies and researches, and build and
4 maintain a database necessary for housing and urban development;

5 5.11. Provide assistance to build the capability of local government units in
6 housing and urban development and management to strengthen the role of
7 provinces, cities and municipalities as the primary entities for urban
8 development/renewal planning and management;

9 5.12. Promulgate zoning and other land use control standards and
10 guidelines which shall govern land use plans and zoning ordinances of local
11 governments, subdivision or estate development projects;

12 5.13. Monitor local government compliance with housing and urban
13 development laws, standards and guidelines and Republic Act No. 9485, otherwise
14 known as the Anti-Red Tape Act of 2007 with respect to housing and urban
15 development projects, as well as their judicious and fair application of local housing
16 and urban development ordinances;

17 5.14. Support local government partnerships with communities, civil society
18 organizations, non-government organizations, and private groups in the
19 implementation of urban development/renewal projects;

20 5.15. Develop and establish a sector performance monitoring and assessment
21 mechanism, and monitor the performance of national government agencies, local
22 government units, as well as other entities involved in housing and urban
23 development;

24 5.16. Lead in the disposition of lands intended for housing owned by the
25 Government or any of its subdivisions, instrumentalities, agencies or government-

1 owned or controlled corporations such as but not limited to military reservations,
2 lands reserved for government offices, facilities and other installations, and other
3 land assets including friar lands which have not been used for the purposes for
4 which they have been reserved or set aside for the past ten (10) years from
5 effectivity of Republic Act No. 7279, otherwise known as the Urban Development
6 and Housing Act (UDHA);

7 5.17. Declare areas as Urban Development/Renewal site(s) including the
8 development and implementation of sub-projects jointly with the concerned local
9 government units under a Public Private Partnership (PPP) arrangement;

10 5.18. Advocate and assist the local government units (LGUs) in the
11 establishment of Special Housing Fund (SHF) to be sourced from the proceeds of
12 Real Property Tax (RPT) as provided for under Section 43 of Republic Act No. 7279
13 pegged at one half percent (.5%) of the assessed value of real property which will be
14 exclusively used for the identification of sites for socialized housing and low-cost
15 housing, data gathering, inventory of lands; mobilization and implementation of
16 socialized and low-cost housing programs of the LGUs.

17 5.19. Take the lead in the conduct of *Pre- and Post-Proclamation* activities as
18 orchestrator and facilitator of the entire disposition process including the stewardship
19 of the Local Inter-Agency Committee (LIACs) which are primarily tasked to oversee
20 the implementation of housing proclamation projects;

21 5.20. Effect and oversee a single regulatory system that shall govern all
22 activities relative to the planning, production, marketing, and management of housing
23 and urban development projects;

24 5.21. Take over unfinished, incomplete or abandoned licensed real estate
25 development projects under Presidential Decree No. 957;

1 5.22. Encourage the private sector to address and serve a large part of the
2 country's housing needs;

3 5.23. Promote, accredit and regulate the use of indigenous materials and
4 technologies in housing construction;

5 5.24. Implement prototype projects in housing and urban development
6 undertakings, with the right to exercise the power of eminent domain, when
7 necessary;

8 5.25. Determine, fix and collect reasonable amounts to be charged as fees
9 and charges necessary for the effective implementation of all laws, rules and
10 regulations enforced by the Department and impose reasonable fines and penalties
11 for violation thereof;

12 5.26. Register and regulate Homeowners and Homeowners Associations
13 (HOAs) and Condominium Units Owners' Association/Corporation (CUOA/Cs) and
14 provide assistance in the formulation of community development programs;

15 5.27. Formulate and ensure the implementation of housing policies and
16 programs for urban poor communities and informal settler families (ISFs) that will
17 promote the social and economic welfare of homeless families particularly the poor
18 and underprivileged;

19 5.28. Initiate and encourage deeper and active involvement and
20 participation of civil society organizations, developers associations, urban planners
21 and other stakeholders which shall be used as a venue through which housing
22 needs are assessed and recognized and, in coordination with the local
23 government units, serve as the lead agency for housing and urban development
24 concerns; and,

25 5.29. Perform such other related functions as may be mandated by law.

1 **Section 6. *Composition.*** - The Department shall be composed of the Office
2 of the Secretary, his/her immediate staff, and the Offices of the Undersecretaries and
3 their respective staff, and the other Offices directly supportive of the Office of the
4 Secretary.

5 **Section 7. *The Secretary.*** - The Secretary shall:

6 7.1. Report to the President on the promulgation of rules, regulations and
7 other issuances relative to matters under the jurisdiction of the Department;

8 7.2. Establish policies and standards for the efficient and effective operations
9 of the Department in accordance with the programs of the government;

10 7.3. Promulgate rules, regulations and other issuances necessary in carrying
11 out the Department's mandate, objectives, policies, plans, programs and projects;

12 7.4. Review and approve, with a panel of planners and builders, the physical
13 framework plans of the provinces and the comprehensive land use plans of cities, as
14 well as the municipalities within Metro Manila;

15 7.5. Exercise control and supervision over all personnel of the Department;

16 7.6. Have the power to delegate authority for the performance of any
17 administrative or substantive function to subordinate officials of the Department;

18 7.7. Appoint all officers and employees of the department, except those
19 whose appointments are vested with the President subject to the provisions of Civil
20 Service Law, rules and regulations.

21 7.8. Have the power to call on other agencies and instrumentalities of the
22 government and private entities for cooperation and assistance in the performance of
23 its functions;

24 7.9. To impose administrative fines and/or penalties of not more than one
25 hundred thousand pesos (P 100,000.00) for violation of this Act, Republic Act

1 No. 7279 and other laws implemented by the Commission, including pertinent
2 rules and regulations, orders, decisions, and/or rulings; *Provided*, that the Secretary
3 may adjust such fines not more than once every three (3) years; and,

4 7.10. Perform such other functions as may be provided by law or assigned by
5 the President.

6 The Secretary shall also serve as a voting member of the National Economic
7 and Development Authority (NEDA) Board, the governing Boards of the Climate
8 Change Commission (CCC), the National Disaster Risk Reduction Management
9 Council (NDRRMC), and the National Land Use Committee (NLUC). The Secretary
10 shall be a member of NEDA's Committee on Infrastructure (INFRACOM), Investment
11 Coordinating Committee (ICC) and Social Development Committee (SDC). The
12 Secretary shall also be a member of the body authorized to formulate, prescribe, or
13 amend guidelines under Republic Act No. 6957 as amended, otherwise known as
14 the Build-Operate-Transfer (BOT) Law.

15 **Section 8. The Undersecretaries.** - The Secretary shall be assisted by

16 8.1. One (1) Undersecretary for Policies, Plans and Programs, Coordination,
17 Monitoring and Evaluation;

18 8.2. One (1) Undersecretary for Environmental, Land Use and Urban Planning
19 and Development;

20 8.3. One (1) Undersecretary for Regulation of Housing and Real Estate
21 Development; and,

22 8.4. One (1) Undersecretary for Homeowners, Homeowners Associations and
23 Community Development.

24 They shall have the powers and functions as provided for in Section 10,
25 Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is further

1 authorized to delineate and assign the other functional areas of responsibility of the
2 Undersecretaries.

3 **Section 9. Departmental Offices and Regional Offices.** - The Department
4 shall establish, operate, and maintain Departmental Offices under them such as, but
5 not limited to: (1) Policies, Plans and Programs, Coordination, Monitoring and
6 Evaluation; (2) Environmental, Land Use and Urban Planning and Development; (3)
7 Regulation of Real Estate Development; and (4) Homeowners, Homeowners
8 Associations and Community Development.

9 There shall be Regional Offices in all of the country's regions. Each Regional
10 Office shall be headed by a Regional Director.

11 **Section 10. Staffing Pattern.** - The Secretary shall cause the preparation
12 and implementation of a staffing pattern for the Department. The development of the
13 staffing pattern shall be based on an assessment of the personnel requirements of
14 the entire Department. The remuneration structure of the positions in the staffing
15 pattern shall conform to the provisions of Republic Act No. 6758, otherwise known as
16 the Salary Standardization Law, as amended. The Department of Budget and
17 Management (DBM) shall, upon its approval, fund in full the staffing pattern of the
18 Department.

19 **Section 11. Advisory Council.** - The Secretary shall have the power to
20 establish advisory councils consisting of the Secretaries and other heads from
21 national government agencies and local government units, representatives from the
22 private sector including private developers associations, urban poor communities,
23 academe, and other marginalized groups, to provide a forum for stakeholder
24 participation and dialogue on key housing and urban development policies, issues

1 and concerns. Such councils shall be convened and chaired by the Secretary of the
2 Department of Housing and Urban Development.

3 CHAPTER IV

4 ADJUDICATION COMMISSION FOR HOUSING, LAND USE

5 AND URBAN DEVELOPMENT

6 **Section 12. *Reconstitution of the HLURB as the Adjudication***
7 ***Commission for Housing, Land Use and Urban Development***
8 ***(Commission)***. The HLURB is hereby reconstituted and shall henceforth be
9 known as the Adjudication Commission for Housing, Land Use and Urban
10 Development, hereinafter referred to "Commission", which shall be attached with the
11 Department for policy, plan and program coordination only.

12 **Section 13. *Assumption and Exercise of Adjudication Function of***
13 ***the Housing and Land Use Regulatory Board (HLURB) to the Commission.***
14 The adjudication function of the HLURB shall be assumed and exercised by the
15 Commission.

16 **Section 14. *Composition of the Commission and Qualification of***
17 ***Commissioners.*** The Commission shall be composed of nine (9) full-time
18 commissioners; *Provided*, that the term of incumbent Commissioners shall be
19 respected; *Provided* further, that the subsequent appointees of the President shall be
20 members of the Philippine Bar of good standing and has been engaged in the
21 practice of law for at least ten (10) years with experience and/or exposure in housing
22 and/or urban development.

23 The Commissioners shall hold office for a period of six (6) years, unless
24 earlier removed for cause.

1 The Department Secretary shall be the *Ex-Officio* Chairman of the
2 Commission.

3 **Section 15. Collegiality, Divisions, and Sessions.** The Commission shall
4 exercise its adjudicatory and all other powers, functions, and duties through its
5 Divisions.

6 The Commission, sitting *en banc*, shall be presided over by the Secretary
7 and shall decide only on the promulgation of rules and regulations governing
8 the hearing and disposition of cases before any of its Divisions and its Arbiters
9 in its Regional Offices, and on the formulation of policies affecting its
10 administration and operations.

11 **Section 16. Precedence and Supervision.** The most senior Commissioner
12 shall be the presiding Commissioner of the first Division and the two (2) next most
13 senior Commissioners shall be the presiding Commissioners of the second and third
14 Divisions, respectively.

15 The Commission *en banc* shall have administrative supervision over the
16 Commission and its Regional Offices and all their personnel, including the
17 Arbiters.

18 **Section 17. Decisions and Resolutions.** The concurrence of two (2)
19 Commissioners of a Division shall be necessary for the promulgation of a judgment
20 or resolution.

21 Whenever the required membership in a Division is not complete and the
22 concurrence of two (2) Commissioners to arrive at a judgment or resolution cannot
23 be obtained, the Executive Commissioner shall designate into the Division such
24 number of additional Commissioners from the other Divisions, as may be
25 necessary.

1 The conclusions of a Division on any case submitted to it for decision shall be
2 reached in consultation before the case is assigned to a Commissioner for the
3 writing of the decision. It shall be mandatory for the Division to meet for
4 purposes of the consultation ordained herein. A certification to this effect
5 signed by the presiding Commissioner of the Division shall be issued and a copy
6 thereof attached to the record of the case and served upon the parties.

7 **Section 18. *Jurisdiction of Arbiters.*** The Arbiters shall exercise exclusive
8 jurisdiction to hear and decide cases involving the following:

9 a. Claims for refund, complaints against unsound real estate business
10 practices and other actions for specific performance of contractual and
11 statutory obligations filed by subdivision lot or condominium unit buyer
12 against the project owner, developer, dealer, broker or salesman; and
13 other complaints for violation of Presidential Decree No. 957 and other
14 related laws;

15 b. Intra-association disputes or controversies arising out of the relations
16 between and among members of homeowners associations or
17 condominium corporations; between any or all of them and the
18 homeowners association or condominium corporation of which they are
19 members, including federations of homeowners associations;

20 c. Inter-association disputes or controversies arising out of the corporate
21 relations between and among two or more homeowners associations or
22 condominium corporations or federations;

23 d. Disputes between such homeowners association or condominium
24 corporation and the State, insofar as it concerns their individual franchise
25 or right to exist and those which are intrinsically connected with the

- 1 regulation of homeowners associations and condominium corporations or
2 dealing with the internal affairs of such entity;
- 3 e. Suits filed in opposition to an application for certificate of registration and
4 license to sell, development permit for condominium projects, clearance to
5 mortgage, or the revocation or cancellation thereof, and locational
6 clearances, certifications or permits, when issued by the HLURB/the
7 Department;
- 8 f. Suits filed by the project owner/developer against a buyer for the collection
9 of unpaid amortization, cancellation of contract and/or ejection.
- 10 g. Eviction of informal settlers in open spaces or common areas of
11 subdivisions and condominiums filed by the project owner or developer or
12 the duly registered homeowners association or condominium corporation
13 of the project;
- 14 h. Disputes involving buyer financing agreements with any financing
15 institution for the purchase of condominium units or subdivision lots; and,
- 16 i. Disputes involving easements within or among subdivisions projects.
- 17 j. Violations of administrative rules and regulations implementing Sections
18 7, 8 and 18 of Republic Act No. 7279.
- 19 k. Disputes between landowners and developers, and between
20 banks/financing institutions and developers whenever the interest of the
21 buyers is involved;
- 22 l. Disputes involving the enforcement of comprehensive land use plans
23 (CLUPs) and/or their accompanying zoning ordinances.

1 **Section 19. Jurisdiction of the Commission and the Secretary.** The
2 Commission shall have the exclusive appellate jurisdiction over all cases decided by
3 the Arbiters.

4 The decision of the Commission shall be final and executory after fifteen (15)
5 calendar days from receipt thereof by the parties.

6 The Secretary may assume jurisdiction over any complaint or case and
7 decide the same or certify such case for decision to the Commission if the
8 controversy involves massive real estate fraud or unsound business practices of
9 critical socio-economic or environmental considerations that may have serious
10 potential impact on the interests of the sector or the general welfare.

11 **Section 20. Powers of the Commission.** - The Commission shall have the
12 power and authority:

13 20.1. To promulgate rules and regulations governing the hearing and
14 disposition of cases before it and its Arbiters, as well as those necessary to carry out
15 its functions;

16 20.2. To administer oaths, summon the parties to a controversy, issue
17 subpoenas requiring the attendance and testimony of witnesses or the production of
18 such books, papers, contracts, records, statement of accounts, agreements, and
19 others as may be material to a just determination of the case;

20 20.3. To hold any person in contempt directly or indirectly and impose
21 appropriate penalties therefor in accordance with law.

22 A person guilty of misbehavior in the presence of or so near any member of
23 the Commission or any Arbiter as to obstruct or interrupt the proceedings before the
24 same, including disrespect toward said officials, offensive personalities toward
25 others, or refusal to be sworn, or to answer as a witness or to subscribe an affidavit

1 or deposition when lawfully required to do so, may be summarily adjudged in direct
2 contempt by said officials and punished by fine not exceeding five thousand pesos
3 (P5,000.00) or imprisonment not exceeding five (5) days, or both, if it be the
4 Commission, or a member thereof, or by a fine not exceeding one thousand pesos
5 (P1,000.00) or imprisonment not exceeding one (1) day, or both, if it be an Arbiter.

6 The person adjudged in direct contempt by an Arbiter may appeal to the
7 Commission and the execution of the judgment shall be suspended pending the
8 resolution of the appeal upon the filing by such person of a bond on condition that
9 he/she will abide by and perform the judgment of the Commission should the appeal
10 be decided against him/her. Judgment of the Commission on direct contempt is
11 immediately executory and unappealable. Indirect contempt shall be dealt with by
12 the Commission or Arbiter in the manner prescribed under Rule 71 of the Revised
13 Rules of Court (ROC); and

14 20.4. To enjoin or restrain, after due notice and hearing, any actual or
15 threatened commission of any or all prohibited or unlawful acts or to require the
16 performance of a particular act in any dispute within its jurisdiction which, if not
17 restrained or performed forthwith, may cause grave or irreparable damage to any
18 party or render ineffectual any decision in favor of such party. In no case shall a
19 temporary or permanent injunction be issued except after a finding of fact by the
20 Commission, to the effect that:

21 a. Prohibited or unlawful acts have been threatened and will be committed
22 and will be continued unless restrained, but no injunction or temporary
23 restraining order shall be issued on account of any threat, prohibited or
24 unlawful act, except against the person or persons, association or
25 organization making the threat or committing the prohibited or unlawful act

1 or actually authorizing or ratifying the same after actual knowledge
2 thereof;

3 b. Substantial and irreparable injury to complainant's property will follow;

4 c. As to each item of relief to be granted, greater injury will be inflicted upon
5 complainant by the denial of relief than will be inflicted upon defendants
6 by the granting of relief;

7 d. Complainant has no adequate remedy at law; and,

8 e. Public officers charged with the duty to protect complainant's property are
9 unable or unwilling to furnish adequate protection.

10 Such hearing shall be held after due and personal notice thereof has been
11 served, in such manner as the Commission shall direct, to all known persons against
12 whom relief is sought, and also to the Chief Executive and other public officials of the
13 province or city within which the unlawful acts have been threatened or committed,
14 charged with the duty to protect complainant's property: *Provided*, however, that if a
15 complainant shall also allege that, unless a temporary restraining order shall be
16 issued without notice, a *substantial and irreparable injury* to complainant's property
17 will be unavoidable, such a temporary restraining order may be issued upon
18 testimony under oath, sufficient, if sustained, to justify the Commission in issuing a
19 temporary injunction. Such a temporary restraining order shall be effective for no
20 longer than twenty (20) days and shall become void at the expiration of said twenty
21 (20) days.

22 No such temporary restraining order or temporary injunction shall be issued
23 except on condition that complainant shall first file an undertaking with adequate
24 security in an amount to be fixed by the Commission sufficient to recompense those
25 enjoined for any loss, expense or damage caused by the improvident or erroneous

1 issuance of such order or injunction, including all reasonable costs, together with a
2 reasonable attorney's fee, and expense of defense against the order or against the
3 granting of any injunctive relief sought in the same proceeding and subsequently
4 denied by the Commission.

5 The undertaking herein mentioned shall be understood to constitute an
6 agreement entered into by the complainant and the surety upon which an order may
7 be rendered in the same suit or proceeding against said complainant and surety,
8 upon a hearing to assess damages, of which hearing, complainant and surety shall
9 have reasonable notice, the said complainant and surety submitting themselves to
10 the jurisdiction of the Commission for that purpose. But nothing herein contained
11 shall deprive any party having a claim or cause of action under or upon such
12 undertaking from electing to pursue his/her ordinary remedy by suit at law or in
13 equity: *Provided* further, that the reception of evidence for the application of a writ of
14 injunction may be delegated by the Commission to any of its Arbiters who shall
15 conduct such hearings in such places as he/she may determine to be accessible to
16 the parties and their witnesses and shall submit thereafter his/her recommendation
17 to the Commission.

18 20.5. To exercise such other powers as are implied, necessary, or
19 incidental to carry out the express powers granted to the Commission.

20 Authority is hereby vested in the Commission to directly utilize the income
21 generated from fees, fines, charges, and other collections in the performance of its
22 functions, to defray operating expenses.

23 **Section 21. Compensation.** A Commissioner shall receive a minimum
24 monthly compensation corresponding to Salary Grade 30 as prescribed under
25 Republic Act No. 6758, as amended.

1 The incumbent full time Commissioners of the present HLURB shall
2 remain in office unless they opt to avail of the retirement and separation benefits
3 as provided for in Section 34 of this Act or are earlier removed for cause.

4 **Section 22. *The Arbiters, Qualifications and Compensation.*** The existing
5 HLURB Arbiters shall be deemed qualified. Additional Arbiters shall have the
6 following qualifications:

7 22.1 No person shall be appointed as Arbiter unless he or she is a member of
8 the Philippine Bar of good standing and has been engaged in the practice of law for
9 at least seven (7) years with at least three (3) years experience or exposure in the
10 field of real estate and land use development cases, and,

11 22.2 The Arbiters shall receive a minimum monthly compensation
12 corresponding to Salary Grade 28 as prescribed under Republic Act No. 6758, as
13 amended.

14 The President shall appoint Arbiters, as may be necessary, upon the
15 recommendation of the Commission.

16 **Section 23. *The Sheriff.*** The Commission shall appoint a Sheriff or such
17 number of Sheriffs in its Central and Regional Offices in accordance with the
18 provisions of the Civil Service Law, rules and regulations. The Sheriff shall be
19 responsible for the service and execution of all writs, summonses, and orders and
20 other processes of the Commission.

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

1 24.1 There is *prima facie* evidence of abuse of discretion on the part of
2 the Arbitrator in rendering the questioned decision, award, or order;

3 24.2 The decision, order, or award was secured through fraud or
4 coercion, including graft and corruption;

5 24.3 The appeal is made purely on questions of law; and,

6 24.4 Serious errors in the findings of facts are raised, which errors
7 would cause grave or irreparable damage or injury to the appellant.

8 **Section 25. *Criminal Prosecution.*** The criminal prosecution for violation
9 of housing laws and regulations shall be instituted before criminal Courts having
10 appropriate jurisdiction.

11 **Section 26. *Pending Cases.*** All cases pending in regular Courts
12 arising from or in connection with the implementation of pertinent laws on housing
13 shall continue to be heard, tried, and decided to their finality by such Courts.

14 CHAPTER V

15 ATTACHED AGENCIES

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

19 27.1 National Housing Authority (NHA);

20 27.2 Home Guaranty Corporation (HGC);

21 27.3 National Home Mortgage Finance Corporation (NHMFC);

22 27.4 Home Development Mutual Fund (HDMF);

23 27.5 Social Housing Finance Corporation (SHFC); and,

24 27.6 Adjudication Commission for Housing, Land Use and Urban
25 Development (Commission).

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

7 Any reorganization, merger, streamlining, abolition or privatization of any
8 attached government owned and controlled corporation (GOCC) initiated by the
9 Governance Commission on GOCCs under Republic Act 10149, otherwise known as
10 the GOCC Governance Act of 2011, shall require the concurrence of the Secretary.

11 **Section 28. Nature of Attachment.** The Secretary shall be elected as
12 Chairperson of the governing Boards of the National Housing Authority (NHA), Home
13 Development Mutual Fund (HDMF), National Home Mortgage Finance Corporation
14 (NHMFC), Social Housing Finance Corporation (SHFC), and Home Guaranty
15 Corporation (HGC).

16 CHAPTER VI

17 OTHER PROVISIONS

18 **Section 29. Social Housing One-Stop Processing Centers (SHOPCs)**
19 – The Department may establish SHOPCs in the Regions, which shall
20 centralize the processing and issuance of all required housing-related permits,
21 clearances, and licenses in accordance with Executive Order No. 45, series of
22 2001 entitled “Prescribing time periods for issuance of housing related
23 certifications, clearances and permits, and imposing sanctions for failure to
24 observe the same”: *Provided*, that for the foregoing purpose, the respective
25 ceilings for socialized, low cost/economic and middle-income housing shall be

1 jointly determined by the Department and the NEDA: *Provided* further that at
2 any time , but not more than once every two years, such ceilings may be
3 reviewed or revised to conform to prevailing economic conditions.

4 All agencies involved in the issuance of said permits, clearances and
5 licenses shall be represented in the SHOPC and shall assign to SHOPC
6 regional centers personnel who shall be sufficiently authorized to process and
7 issue the same.

8 **Section 30. Identification and Designation of Lands for Housing**
9 **and Urban and Rural Development.** – For the purpose of designating lands
10 for housing and urban and rural development, the Department of Housing and
11 Urban Development, the Department of Environment and Natural Resources
12 (DENR), the Department of Agrarian Reform (DAR) Department of Agriculture
13 (DA), and the Land Registration Authority (LRA) shall, within one hundred
14 eighty (180) days from the effectivity of this Act, jointly identify agricultural
15 lands which under Republic Act No. 6657, as amended, otherwise known as
16 the Comprehensive Agrarian Reform Law, and other existing laws, rules and
17 regulations are already exempted from conversion requirements: *Provided*,
18 that the list shall exclude lands that are declared as *non-negotiable* or
19 protected from conversion under existing laws and issuances and those lands
20 covered under Republic Act No. 6657: *Provided* further, that the designation
21 of lands for housing and urban and rural development purposes shall neither
22 prejudice the rights of qualified beneficiaries under Republic Act No. 6657, nor
23 undermine the protected agricultural areas intended to ensure the attainment
24 of food security under Republic Act No. 8435, otherwise known as Agricultural
25 and Fisheries Modernization Act (AFMA) of 1997 and other existing laws:

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

9 CHAPTER VII

10 TRANSITORY PROVISIONS

11 **Section 31. *Absorption of Employees of the Consolidated Agencies.*** The
12 existing civil servants of HUDCC and HLURB shall enjoy security of tenure and be
13 absorbed by the Department or the Commission, in accordance with their staffing
14 patterns and the selection process as prescribed under Republic Act No. 6656 on
15 the Rules on government reorganization, unless the civil servant wants to avail of
16 Section 33, hereof.

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

19 32.1 The assets, equipment, funds, choses in action, records, and pertinent
20 transactions of HUDCC and HLURB shall be transferred to the Department and the
21 Commission; and,

22 32.2 The Department and the Commission shall cause the creation of
23 additional positions and augment their budget appropriations, as may be necessary.

24 **Section 33. *Transition Period.*** All transfer of functions, assets, funds,
25 personnel, equipment, properties, transactions, and personnel in the affected

1 national government agencies, and the formulation and implementation of the
2 internal organic structures, staffing patterns, operating systems, and revised budgets
3 of the Department and the Commission, shall be completed within six (6) months
4 from the effectivity of this Act, during which existing personnel shall continue to
5 assume their posts in holdover capacities until new appointments are issued.

6 **Section 34. *Separation from the Service.*** Any employee of HUDCC and
7 HLURB who opts to avail of separation from service within six (6) months from the
8 effectivity of this Act as a result of the consolidation and/or reorganization under the
9 provisions of this Act shall, within one (1) month from their separation from the
10 service, receive a separation pay equivalent to two hundred fifty percent (250%) of
11 the latest monthly basic salary for every year of service in the government. *Provided,*
12 that those who are qualified to retire under existing retirement laws shall be allowed
13 to retire under said laws and shall receive the benefits within ninety (90) days from
14 their separation from service.

15 The miscellaneous personnel benefits, the organization adjustment, and
16 corporate funds may be used to fund the purpose.

17 **Section 35. *Abolition of the Housing and Urban Development***
18 ***Coordinating Council (HUDCC) and the Transfer of Rights and Assets.*** The
19 Housing and Urban Development Coordinating Council is hereby abolished.

20 The Department shall, by virtue of this Act, be subrogated to all rights and
21 assume all the liabilities of the HUDCC and HLURB, except those that may hereafter
22 be transferred to or absorbed by the Commission.

23 **Section 36. *Formulation of Implementing Rules and Regulations.*** The
24 HUDCC, HLURB, DBM and Civil Service Commission (CSC) shall prepare and issue

1 the implementing rules and regulations (IRR) within sixty (60) days upon the
2 effectivity of this Act.

3 CHAPTER VIII

4 IMPLEMENTING AUTHORITY AND FUNDING

5 **Section 37. *Implementing Authority.*** The HUDCC Chairman is hereby
6 authorized to undertake the implementation of the provisions of this Act and
7 implement the necessary organizational changes within six (6) months or until a
8 Department Secretary has been appointed and has assumed office.

9 **Section 38. *Funding.*** The amount needed for the initial implementation of
10 this Act shall be charged against the current year's appropriations of HUDCC and
11 HLURB. Thereafter, such sums as may be necessary for the continued
12 implementation of this Act, shall be included in the General Appropriations Act
13 (GAA).

14 CHAPTER IX

15 MISCELLANEOUS PROVISIONS

16 **Section 39. *Mandatory Review of the Implementation of this Act.*** The
17 Congress shall undertake a mandatory review of the implementation of this Act at
18 the end of the third year from the date of its effectivity.

19 **Section 40. *Repealing Clause.*** All laws, executive orders, proclamations,
20 rules, regulations and other issuances or parts thereof which are inconsistent with
21 the provisions of this act are hereby repealed, amended or modified accordingly.

22 **Section 41. *Separability Clause.*** If, for any reason or reasons, any portion or
23 provision of this Act shall be held unconstitutional or invalid, the remaining provisions
24 not affected thereby shall continue to be in full force and effect.

1 **Section 42. *Effectivity.*** This Act shall take effect fifteen (15) days after its
2 complete publication in at least two (2) national newspapers of general circulation.

Approved,