

13 JUL 25 2017

SENATE

S.B. No. 1104

via

Introduced by Senator LOREN LEGARDA

EXPLANATORY NOTE

The Philippine housing sector is replete with enormous challenges, spanning the issues of ever-increasing need for affordable housing provisions, limited access to housing finance, the need for more sustainable housing solutions, and more recently, the need to relocate families and households to safer grounds on account of the increasing threats of disasters.

To date, it is estimated that the country faces a 4-million housing backlog, practically affecting about a fourth of the Philippine population. The problem is compounded by the increasing urbanization rate which is projected to account for 70% of our population by 2015.¹ This reality results to tremendous pressure on the resources of the country's urban centers thereby greatly compromising their ability to pursue the more sustainable development pathway.

The country's housing sector was never without the requisite attention and support from the national government. Numerous housing programs have emerged, together with the corresponding increase in the number of key shelter agencies that were charged with the responsibility of providing adequate and affordable housing to the country's homeless and poor families.

Over time, the country's housing policies and programs shifted in accord with the United Nations Global Housing Strategy, paving the way for what had been intended to be "a self-sustaining and equitable housing delivery system" through greater private sector involvement in housing provision and housing finance.

More than a decade hence, the housing sector remains hobbled, not just by the same issues, but by a more complex web of challenges characterized by a highly fragmented institutional framework in the housing and urban development sector. No less than seven key shelter agencies are catering to the housing needs of the country and dozens more are charged with the responsibility of addressing housing related issues such as transportation, infrastructure, land management, power and water requirements, disaster risk management, employment and livelihood, financial inclusion, among many other issues.

The country needs a more integrated approach in addressing housing needs and its related issues. Local government units need to be capacitated in ways that they can effectively respond to the growing housing needs, not just of their respective

¹ National Urban Development and Housing Framework 2009-2016

communities, but the country at large. Urbanization and its numerous opportunities and challenges need to be addressed with greater efficiencies and stronger cooperation among agencies of the government.

This measure seeks to create a Department of Housing and Urban Development that shall be charged with the responsibility of shepherding a more coordinated and efficient national shelter program.

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

A handwritten signature in black ink, appearing to read 'LOREN LEGARDA', is written over a horizontal line.

LOREN LEGARDA

Senator

SENATE

'13 JUL 25 NO 47

S.B. No. 1104

RECEIVED BY: *ju*

Introduced by Senator LOREN LEGARDA

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

1 SECTION 1. *Title.* - This Act shall be known as the "*Department of Housing and Urban*
2 *Development Act of 2013.*"

3 SEC. 2. *Declaration of Policies.* - The State shall undertake, in cooperation with the
4 private sector, a continuing program of urban development and housing which will make
5 available at affordable cost, decent housing and related basic services. In the implementation
6 of such program, the State shall respect the rights of small property owners.

7 The State shall pursue the realization of a modern, humane, economically viable and
8 environmentally sustainable society where the urbanization process is manifest in towns and
9 cities being centers of productive economic activity, through partnerships with multi-
10 stakeholders; where urban areas have affordable housing, sustainable physical and social
11 infrastructure and services facilitated under a democratic and decentralized system of
12 governance; and where urban areas provide the opportunities for an improved quality of life
13 and the eradication of poverty.

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

16 CHAPTER II

17 DEFINITION OF TERMS

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

1 3.1. *Attachment* - refers to the relationship between the department and the attached
2 agency or corporation for purposes of policy and program coordination and as further
3 defined under the Administrative Code of 1987.

4 3.2. *Housing* - refers to the system and its components which establish the residential
5 quality of life, including housing, utilities, access to social services and community facilities,
6 security, transportation facilities, employment, and other aspects related to an individual's
7 residence and well-being.

8 3.3. *Informal Settler Families (ISFs)* refer to household/s living in: (a) a lot or lots
9 without the consent of the property owner; (b) danger areas; (c) areas for government
10 infrastructure projects; (d) protected/forest areas (except for indigenous people); (e) Areas
11 for Priority Development (APDs), if applicable; and/or (f) other government/public lands or
12 facilities not intended for habitation.

13 3.4. *Urban Development* - pertains to the process of occupation and use of land or space
14 for such activities as residential, industrial, commercial and the like or their combinations,
15 necessary to carry out the functions of urban living. It entails the building or rebuilding of
16 more or less permanent structures over land that is often withdrawn or converted from its
17 original use, resulting in the creation of a built environment.

18 CHAPTER III

19 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

21 There is hereby created the Department of Housing and Urban Development (DHUD),
22 hereinafter referred to as the Department, by consolidating the functions of the Housing and
23 Urban Development Coordinating Council (HUDCC) and the planning and regulatory
24 functions of the Housing and Land Use Regulatory Board (HLURB), which shall act as the
25 primary national government entity responsible for the management of housing and urban
26 development. It shall be the sole and main planning and policy-making, regulatory,
27 program coordination, and performance monitoring entity for all housing and urban
28 development concerns, primarily focusing on the access to and affordability of housing and
29 related basic services vital to human needs.

1 SEC. 5. *Powers and Functions.* – The planning and regulatory function of the Housing
2 and Land Use Regulatory Board (HLURB) is hereby transferred to the Department.

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

4 5.1. Formulate a national urban development and housing policy and strategy, in
5 coordination and in consultation with national and local stakeholders, toward ensuring
6 consistency with the Philippine Development Plan (PDP) and the National Physical
7 Framework Plan (NPFP) to promote social and economic welfare;

8 5.2. Ensure comprehensive and well-coordinated planning by the national
9 government and local government units toward ensuring well-coordinated national and
10 local urban and community development programs and activities;

11 5.3. Exercise lead role in coordinating, supervising and ensuring harmonization and
12 complementation between and among all government programs and activities relative to
13 housing and urban development;

14 5.4. Coordinate with relevant agencies of the government and local government
15 units with respect to the implementation of programs and services that have a major
16 impact on housing and urban development;

17 5.5. Formulate effective and efficient housing finance policies and programs, in
18 coordination with the Bangko Sentral ng Pilipinas, toward the establishment of a self-
19 sustaining, private sector-led housing finance system that will ensure housing finance
20 accessibility and affordability among those in great need;

21 5.6. Manage and oversee the development of proclaimed housing sites, including the
22 use of land assets as resource mobilization strategy to raise alternative funds in developing
23 new housing projects which will serve as central relocation sites for the affected informal
24 settlers, while at the same time ensuring that these housing projects shall have access to jobs,
25 transportation systems, basic services, and affordable sustainable sources of energy to meet
26 the community's power needs;

27 5.7. Exercise oversight function, coordinate, monitor and evaluate the policies and
28 programs of all attached agencies;

1 5.8. Conduct comprehensive studies and researches on housing and urban
2 development, and its related issues, and to submit recommendations to the President
3 relative thereto, including on matters related to the administration of national programs
4 affecting such issues;

5 5.9. Minimize the paperwork burden among homeowners and home buyers, and
6 those covered by the government's housing programs by eliminating unnecessary and
7 duplicative information requirements;

8 5.10. Build and maintain a Housing database that will contain a housing project
9 inventory, both at the national and local levels, the status of these projects, and their key
10 features. The database will also contain relevant information required by the various
11 housing agencies as part of efforts to minimize paperwork burden;

12 5.11. Utilize income generated from fees, fines, charges, and other collections in the
13 performance of its functions and to defray operating expenses;

14 5.12. Enter into contracts, joint venture agreements, public-private partnerships, and
15 such other agreements, either domestic or foreign, under such terms and conditions as it may
16 deem proper and reasonable subject to existing laws;

17 5.13. Discharge all responsibilities of government as may arise from treaties,
18 agreements and other commitments on housing, land use and urban development to which it
19 is a signatory, including the determination of forms of assistance for housing, land use and
20 urban development to be extended through bilateral or multilateral loans and/or
21 development assistance programs, subject to existing laws and regulations;

22 5.14. 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 asset,
24 grant or property, real or personal, subject to such limitations provided under existing laws
25 and regulations;

26 5.15. Provide assistance to local government units toward building their capacities
27 in housing and urban development and management and to strengthen the role of
28 provinces, cities and municipalities as the primary entities for urban
29 development/renewal planning and management;

1 5.16. Promulgate zoning and other land use control standards and guidelines which
2 shall govern land use plans and zoning ordinances of local governments, subdivision or
3 estate development projects, subject to the provisions of law;

4 5.17. Monitor local government compliance with housing and urban development
5 laws, standards and guidelines and Republic Act No. 9485, otherwise known as the Anti-Red
6 Tape Act of 2007 with respect to housing and urban development projects, as well as their
7 judicious and fair application of local housing and urban development ordinances;

8 5.18. Encourage and support local government partnerships with communities, civil
9 society organizations, non-government organizations, and private groups in the
10 implementation of urban development/renewal projects;

11 5.19. Develop and establish a sector performance monitoring and assessment
12 mechanism, and monitor the performance of national government agencies, local
13 government units, as well as other entities involved in housing and urban development;

14 5.20. Lead in the disposition of government-owned lands, including those owned by
15 government-owned and controlled corporations and those which have not been used for the
16 purpose for which they have been reserved or set aside for the past ten (10) years from the
17 effectivity of Republic Act No. 7279, provided that these lands for disposition, as approved
18 by the President or by the local government unit concerned, will be intended for socialized
19 housing.

20 5.21. Ensure that in leading or coordinating the development of social housing and
21 resettlement areas for the homeless and underprivileged, the availability of basic services and
22 facilities, their accessibility and proximity to job sites and other economic opportunities shall
23 not be compromised.

24 5.22. Declare areas as Urban Development/Renewal site(s) and develop and
25 implement sub-projects related thereto, jointly with the concerned local government units
26 under a Public Private Partnership (PPP) arrangement;

27 5.23. Assist local government units (LGUs) in the establishment of Special Housing
28 Fund (SHF) to be sourced from the proceeds of Real Property Tax (RPT) as provided for
29 under Section 43 of Republic Act No. 7279 pegged at one half percent (.5%) of the assessed

1 value of real property which will be exclusively used for the identification of sites for
2 socialized housing and low-cost housing, data gathering, inventory of lands; and
3 mobilization and implementation of socialized and low-cost housing programs of the LGUs.

4 5.24. Take the lead in the conduct of Pre- and Post-Proclamation activities as
5 orchestrator and facilitator of the entire disposition process including the stewardship of the
6 Local Inter-Agency Committees (LIACs) which are primarily tasked to oversee the
7 implementation of housing proclamation projects;

8 5.25. Effect and oversee a single regulatory system that shall govern all activities
9 relative to the planning, production, marketing, and management of housing and urban
10 development projects;

11 5.26. Take over unfinished, incomplete or abandoned licensed real estate development
12 projects under Presidential Decree No. 957;

13 5.27. Encourage the private sector to address and serve a large part of the country's
14 housing needs;

15 5.28. Promote and accredit the use of indigenous materials and technologies in
16 housing construction and housing solutions, including those that address water and power
17 needs, as well as sanitation;

18 5.29. Implement prototype projects in housing and urban development
19 undertakings, with the right to exercise the power of eminent domain, when necessary;

20 5.30. Determine, fix and collect reasonable amounts to be charged as fees and charges
21 necessary for the effective implementation of all laws, rules and regulations enforced by the
22 Department and impose reasonable fines and penalties for violation thereof;

23 5.31. Register and regulate Homeowners and Homeowners Associations (HOAs) and
24 Condominium Units Owners' Association/Corporation (CUOA/Cs) and provide assistance
25 in the formulation of community development programs;

26 5.32. Formulate and ensure the implementation of housing policies and programs for
27 urban poor communities and informal settler families (ISFs) that will promote the social and
28 economic well-being of homeless families, particularly the poor and underprivileged;

1 5.33. Initiate and encourage deeper and active involvement and participation of civil
2 society organizations, developers associations, urban planners and other stakeholders
3 which shall be used as a venue through which housing needs are assessed and recognized
4 and, in coordination with the local government units, serve as the lead agency for housing
5 and urban development concerns;

6 5.34. Assist communities in developing community and urban development
7 solutions to address their housing and housing-related needs; and,

8 5.35. Perform such other related functions as may be mandated by law.

9 SEC. 6. *Composition.* - The Department shall be composed of the Office of the
10 Secretary, his/her immediate staff, and the Offices of the Undersecretaries and their
11 respective staff, and the other Offices directly supportive of the Office of the Secretary.

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

13 7.1. Advise the President on matters related to housing and urban development;

14 7.2. Promulgate rules, regulations and other issuances necessary in carrying out the
15 Department's mandate, objectives, policies, plans, programs and projects;

16 7.3. Establish policies and standards for the efficient and effective operations of the
17 Department in accordance with the programs of the government;

18 7.4. Report to the President on the promulgation of rules, regulations and other
19 issuances relative to matters under the jurisdiction of the Department;

20 7.5. Identify housing and urban development, and community development issues,
21 which require inter-agency or inter-government coordination and solutions;

22 7.6. Convene meetings of heads of agencies that undertake programs or projects that
23 impact upon housing and urban development with the view to harmonizing policies, plans,
24 programs, and projects, and synchronizing related activities, as well as avoiding duplication
25 in such programs or projects;

26 7.7. Call on any agency or instrumentality of the government to ensure the effective
27 and efficient implementation of housing and urban development programs;

28 7.8. Ensure cooperation among government agencies toward the effective and efficient
29 administration of housing, urban development, and related programs and services;
30

1 7.9. Review and approve, in consultation with a panel of experts consisting of urban
2 development planners, builders, and housing experts, the physical framework plans of the
3 provinces and the comprehensive land use plans of cities, as well as the municipalities within
4 Metro Manila;

5 7.10. Exercise control and supervision over all personnel of the Department;

6 7.11. Appoint all officers and employees of the Department, except those whose
7 appointments are vested with the President, subject to the provisions of Civil Service Law,
8 rules and regulations;

9 7.12. To impose administrative fines and/or penalties of not more than One
10 hundred thousand pesos (P 100,000.00) for violation of this Act, Republic Act No. 7279
11 and other laws implemented by the Commission per Section 12 of this Act, including
12 pertinent rules and regulations, orders, decisions, and/or rulings: *Provided*, That the
13 Secretary may adjust such fines not more than once every three (3) years; and

14 7.13. Perform such other functions as may be provided by law or assigned by the
15 President.

16 The Secretary shall also serve as a voting member of the National Economic and
17 Development Authority (NEDA) Board, the governing/advisory Boards of the Climate
18 Change Commission (CCC), the National Disaster Risk Reduction Management Council
19 (NDRRMC), the National Land Use Committee (NLUC), and the People's Survival Fund
20 under RA 10174. The Secretary shall be a member of NEDA's Committee on Infrastructure
21 (INFRACOM), Investment Coordinating Committee (ICC) and Social Development
22 Committee (SDC). The Secretary shall also be a member of the body authorized to formulate,
23 prescribe, or amend guidelines under Republic Act No. 6957 as amended, otherwise known
24 as the Build-Operate-Transfer (BOT) Law.

25 SEC. 8. *The Undersecretaries.* - The Secretary shall be assisted by

26 8.1. One (1) Undersecretary for Policies, Plans and Programs;

27 8.2. One (1) Undersecretary for Environmental, Land Use and Urban Planning and
28 Development;

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

3 8.4. One (1) Undersecretary for Homeowners, Homeowners Associations and
4 Community Development.

5 They shall have the powers and functions as provided for in Section 10, Chapter 2,
6 Book IV of the Administrative Code of 1987.

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

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

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

21 *SEC. 11. Advisory Council.* - The Secretary shall have the power to establish advisory
22 councils consisting of the Secretaries and other heads from national government agencies and
23 local government units, representatives from the private sector including private developers
24 associations, urban poor communities, academe, and other marginalized groups, to provide a
25 forum for stakeholder participation and dialogue on key housing and urban development
26 policies, issues and concerns. Such councils shall be convened and chaired by the Secretary of
27 the Department of Housing and Urban Development.

28 CHAPTER IV

29 ADJUDICATION COMMISSION FOR HOUSING, LAND USE

1 AND URBAN DEVELOPMENT

2 SEC. 12. *Reconstitution of the HLURB as the Adjudication Commission for Housing,*
3 *Land Use and Urban Development (Commission).* - The HLURB is hereby reconstituted
4 and shall henceforth be known as the Adjudication Commission for Housing, Land Use and
5 Urban Development, hereinafter referred to "Commission", which shall be attached with the
6 Department for policy, plan and program coordination only.

7 SEC. 13. *Assumption and Exercise of Adjudication Function of the Housing and Land*
8 *Use Regulatory Board (HLURB) to the Commission.* - The adjudication function of the HLURB
9 shall be assumed and exercised by the Commission.

10 SEC. 14. *Composition of the Commission and Qualification of Commissioners.* - The
11 Commission shall be composed of nine (9) full-time commissioners: *Provided,* That the
12 term of incumbent Commissioners shall be respected: *Provided further,* That the subsequent
13 appointees of the President shall be members of the Philippine Bar of good standing and has
14 been engaged in the practice of law for at least ten (10) years with experience and/or
15 exposure in housing and/or urban development.

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

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

19 SEC. 15. *Collegiality, Divisions, and Sessions.* - The Commission shall exercise its
20 adjudicatory and all other powers, functions, and duties through its Divisions.

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

25 SEC. 16. *Precedence and Supervision.* - The most senior Commissioner shall be the
26 presiding Commissioner of the first Division and the two (2) next most senior Commissioners
27 shall be the presiding Commissioners of the second and third Divisions, respectively.

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

1 SEC. 17. *Decisions and Resolutions.* – The concurrence of two (2) Commissioners of a
2 Division shall be necessary for the promulgation of a judgment or resolution.

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

7 The conclusions of a Division on any case submitted to it for decision shall be reached
8 in consultation before the case is assigned to a Commissioner for the writing of the decision.
9 It shall be mandatory for the Division to meet for purposes of the consultation
10 ordained herein. A certification to this effect signed by the presiding Commissioner of
11 the Division shall be issued and a copy thereof attached to the record of the case and served
12 upon the parties.

13 SEC. 18. *Jurisdiction of Arbiters.* – The Arbiters shall exercise exclusive jurisdiction to
14 hear and decide cases involving the following:

- 15 a. Claims for refund, complaints against unsound real estate business practices and
16 other actions for specific performance of contractual and statutory obligations
17 filed by subdivision lot or condominium unit buyer against the project owner,
18 developer, dealer, broker or salesman; and other complaints for violation of
19 Presidential Decree No. 957 and other related laws;
- 20 b. Intra-association disputes or controversies arising out of the relations between and
21 among members of homeowners associations or condominium corporations;
22 between any or all of them and the homeowners association or condominium
23 corporation of which they are members, including federations of homeowners
24 associations;
- 25 c. Inter-association disputes or controversies arising out of the corporate relations
26 between and among two or more homeowners associations or condominium
27 corporations or federations;
- 28 d. Disputes between such homeowners association or condominium corporation and
29 the State, insofar as it concerns their individual franchise or right to exist and those

1 which are intrinsically connected with the regulation of homeowners associations
2 and condominium corporations or dealing with the internal affairs of such entity;

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

21 SEC. 19. *Jurisdiction of the Commission and the Secretary.* - The Commission shall have
22 the exclusive appellate jurisdiction over all cases decided by the Arbiters.

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

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

1 SEC. 20. *Powers of the Commission.* - The Commission shall have the power and
2 authority:

3 20.1. To promulgate rules and regulations governing the hearing and disposition of
4 cases before it and its Arbiters, as well as those necessary to carry out its functions;

5 20.2. To administer oaths, summon the parties to a controversy, issue subpoenas
6 requiring the attendance and testimony of witnesses or the production of such books, papers,
7 contracts, records, statement of accounts, agreements, and others as may be material to a just
8 determination of the case;

9 20.3. To hold any person in contempt directly or indirectly and impose appropriate
10 penalties therefor in accordance with law.

11 A person guilty of misbehavior in the presence of or so near any member of the
12 Commission or any Arbiter as to obstruct or interrupt the proceedings before the same,
13 including disrespect toward said officials, offensive personalities toward others, or refusal to
14 be sworn, or to answer as a witness or to subscribe an affidavit or deposition when lawfully
15 required to do so, may be summarily adjudged in direct contempt by said officials and
16 punished by fine not exceeding Five thousand pesos (P5,000.00) or imprisonment not
17 exceeding five (5) days, or both, if it be the Commission, or a member thereof, or by a fine not
18 exceeding One thousand pesos (P1,000.00) or imprisonment not exceeding one (1) day, or
19 both, if it be an Arbiter.

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

27 20.4. To enjoin or restrain, after due notice and hearing, any actual or threatened
28 commission of any or all prohibited or unlawful acts or to require the performance of a
29 particular act in any dispute within its jurisdiction which, if not restrained or performed

1 forthwith, may cause grave or irreparable damage to any party or render ineffectual any
2 decision in favor of such party. In no case shall a temporary or permanent injunction be
3 issued except after a finding of fact by the Commission, to the effect that:

4 a. Prohibited or unlawful acts have been threatened and will be committed and will
5 be continued unless restrained, but no injunction or temporary restraining order
6 shall be issued on account of any threat, prohibited or unlawful act, except against
7 the person or persons, association or organization making the threat or committing
8 the prohibited or unlawful act or actually authorizing or ratifying the same after
9 actual knowledge thereof;

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

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

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

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

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

28 No such temporary restraining order or temporary injunction shall be issued except on
29 condition that complainant shall first file an undertaking with adequate security in an

1 amount to be fixed by the Commission sufficient to recompense those enjoined for any loss,
2 expense or damage caused by the improvident or erroneous issuance of such order or
3 injunction, including all reasonable costs, together with a reasonable attorney's fee, and
4 expense of defense against the order or against the granting of any injunctive relief sought in
5 the same proceeding and subsequently denied by the Commission.

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

17 20.5. To exercise such other powers as are implied, necessary, or incidental to
18 carry out the express powers granted to the Commission.

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

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

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

28 SEC. 22. *The Arbiters, Qualifications and Compensation.* - The existing HLURB Arbiters
29 shall be deemed qualified. Additional Arbiters shall have the following qualifications:

1 22.1 No person shall be appointed as Arbiter unless he or she is a member of the
2 Philippine Bar of good standing and has been engaged in the practice of law for at least seven
3 (7) years with at least three (3) years experience or exposure in the field of real estate and
4 land use development cases, and,

5 22.2 The Arbiters shall receive a minimum monthly compensation corresponding to
6 Salary Grade 28 as prescribed under Republic Act No. 6758, as amended.

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

9 SEC. 23. *The Sheriff.* - The Commission shall appoint a Sheriff or such number of
10 Sheriffs in its Central and Regional Offices in accordance with the provisions of the Civil
11 Service Law, rules and regulations. The Sheriff shall be responsible for the service and
12 execution of all writs, summonses, and orders and other processes of the Commission.

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

17 24.1 There is *prima facie* evidence of abuse of discretion on the part of the Arbiter
18 in rendering the questioned decision, award, or order;

19 24.2 The decision, order, or award was secured through fraud or coercion,
20 including graft and corruption;

21 24.3 The appeal is made purely on questions of law; and,

22 24.4 Serious errors in the findings of facts are raised, which errors would cause
23 grave or irreparable damage or injury to the appellant.

24 SEC. 25. *Criminal Prosecution.* - The criminal prosecution for violation of housing
25 laws and regulations shall be instituted before criminal Courts having appropriate
26 jurisdiction.

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

1 CHAPTER V

2 ATTACHED AGENCIES

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

6 27.1 National Housing Authority (NHA);

7 27.2 Home Guaranty Corporation (HGC);

8 27.3 National Home Mortgage Finance Corporation (NHMFC);

9 27.4 Home Development Mutual Fund (HDMF);

10 27.5 Social Housing Finance Corporation (SHFC); and,

11 27.6 Adjudication Commission for Housing, Land Use and Urban Development
12 (Commission).

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

19 Any recommendation by the Governance Commission on GOCCs to reorganize,
20 merge, streamline, abolish, or privatize any of the government owned and controlled
21 corporation (GOCC) attached to the Department, per Republic Act No. 10149, otherwise
22 known as the GOCC Governance Act of 2011, shall require the concurrence of the Secretary.

23 SEC.28. *Nature of Attachment.* - The Secretary shall be elected as Chairperson of the
24 governing Boards of the National Housing Authority (NHA), Home Development Mutual
25 Fund (HDMF), National Home Mortgage Finance Corporation (NHMFC), Social Housing
26 Finance Corporation (SHFC), and Home Guaranty Corporation (HGC).

27 CHAPTER VI

28 OTHER PROVISIONS

1 SEC. 29. *Social Housing One-Stop Processing Centers (SHOPCs)*. - The Department
2 may establish SHOPCs in the Regions, which shall centralize the processing and
3 issuance of all required housing-related permits, clearances, and licenses in
4 accordance with Executive Order No. 45, series of 2001 entitled "Prescribing time
5 periods for issuance of housing related certifications, clearances and permits, and
6 imposing sanctions for failure to observe the same": *Provided*, That for the foregoing
7 purpose, the respective ceilings for socialized, low cost/economic and middle-income
8 housing shall be jointly determined by the Department and the NEDA: *Provided*,
9 *further*, That at any time, but not more than once every two years, such ceilings may
10 be reviewed or revised to conform to prevailing economic conditions.

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

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

1 Act (AFMA) of 1997 and other existing laws: *Provided, furthermore,* That in the case of
2 lands exempted from conversion, though these have been approved by the DAR, if
3 these are contested by affected individual or community beneficiaries, it shall not be
4 allowed to proceed with any horizontal or vertical development without need for any
5 prior clearance or approval from the DAR or the DA consistent with the terms of the
6 approved order or conversion: *Provided, finally,* That all idle government lands in
7 highly urbanized cities are hereby prioritized for housing and urban development
8 purposes.

9 CHAPTER VII

10 TRANSITORY PROVISIONS

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

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

18 32.1 The assets, equipment, funds, choses in action, records, and pertinent transactions
19 of HUDCC and HLURB shall be transferred to the Department and the Commission; and,

20 32.2 The Department and the Commission shall propose the creation of additional
21 positions, as may be necessary, subject to the approval of DBM.

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

1 SEC. 34. *Abolition of the Housing and Urban Development Coordinating Council (HUDCC)*
2 *and the Transfer of Rights and Assets.* - The Housing and Urban Development Coordinating
3 Council is hereby abolished.

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

7 SEC. 35. *Formulation of Implementing Rules and Regulations.* - The HUDCC, HLURB,
8 DBM and Civil Service Commission (CSC) shall prepare and issue the implementing rules
9 and regulations (IRR) within sixty (60) days upon the effectivity of this Act.

10 CHAPTER VIII

11 IMPLEMENTING AUTHORITY AND FUNDING

12 SEC. 36. *Implementing Authority.* - The HUDCC Chairman is hereby authorized to
13 undertake the implementation of the provisions of this Act and implement the necessary
14 organizational changes within six (6) months or until a Department Secretary has been
15 appointed and has assumed office.

16 SEC. 37. *Funding.* - The amount needed for the initial implementation of this Act shall
17 be charged against the current year's appropriations of HUDCC and HLURB. Thereafter,
18 such sums as may be necessary for the continued implementation of this Act, shall be
19 included in the General Appropriations Act (GAA).

20 CHAPTER IX

21 MISCELLANEOUS PROVISIONS

22 SEC. 38. *Mandatory Review of the Implementation of this Act.* - The Congress shall
23 undertake a mandatory review of the implementation of this Act at the end of the third year
24 from the date of its effectivity.

25 SEC. 39. *Repealing Clause.* - All laws, executive orders, proclamations, rules,
26 regulations and other issuances or parts thereof which are inconsistent with the provisions of
27 this act are hereby repealed, amended or modified accordingly.

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

4 SEC. 41. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete
5 publication in at least two (2) national newspapers of general circulation.

6 Approved,