

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUL -2 A8:57

RECEIVED BY: 

SENATE

S.B. No. 1298

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Introduced by Senator Rodolfo G. Biazon

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#### EXPLANATORY NOTE

The Constitution, Article 13, Section 9 reads:

“Sec.9. The State shall, by law, and for the common good, undertake in cooperation with the private sector, a continuing program, of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners.”

Nine years after the enactment of Republic Act No. 7279, also known as the Urban Development and Housing Act, we are still facing a worsening problem of urban blight and homelessness in our country. At present, we have an estimated housing backlog of around 3.7 million housing units. Statistics show that this backlog is comprised of the following: 1) 454,000 households sharing with other households unable to afford separate dwellings; 2) 663,000 dwelling units being endangered by natural disasters such as those in the lahar-ravaged areas around Mt. Pinatubo and those scheduled for court ordered demolition and eviction; 3) 10,000 families currently living in parks, sidewalks, esteros, riverbanks, under bridges and other dangerous areas under Metro Manila; and those who are just plain squatters on public and private lands. The problem does not end here.

While we face a huge housing backlog, it is ironic that the Housing and Urban Development Coordinating Council (HUDCC) reports an estimated 100,000 government-owned housing units that are idle and unoccupied. While poor countrymen continue to suffer homelessness, we have thousands of housing units lying idle. These idle government assets were acquired with the people's money and represent wastage of scarce government resources.

In a position paper submitted by the University of the Philippines School of Urban and Regional Planning (UP SURP) to this humble representation, they pointed out that the above-stated problem is due to the confusing state set-up of our housing bureaucracy. It is said, “*the existing institutional set-up for housing and urban development is complex and is characterized by overlapping functions, mandates and programs of the agencies involved.*”

This bill proposes to create a Department of Housing and Urban Development that will serve as a "one-stop shop" envisioned to cater to the housing needs of our citizenry. It shall be the primary government agency that will facilitate and ensure the availability of affordable housing. *This bill aims to restructure the different housing agencies and corporation in order to streamline the housing bureaucracy.* To pursue this objective, the existing HUDCC shall be strengthened by giving it direct control and supervision over all housing agencies and corporations. At present, the HUDCC is merely a coordinating body for the different housing agencies.

Another important objective of this bill is to integrate all housing and urban development policies, plans, programs and projects of the different housing agencies to expedite the delivery of decent, affordable and sustainable housing and urban development programs and projects.

Due to the foregoing, early passage of this bill is earnestly requested.



**RODOLFO G. BIAZON**  
Senator

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**“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”**

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

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**CHAPTER 1  
SHORT TITLE, VISION, POLICY AND PRINCIPLES**

**Section 1. *Short Title.*** This act shall be known as the “**Department of Housing and Urban Development Act of 2002**”.

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

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

3.1 *Steering Role of the National Government in the Sector.* The national government shall perform a steering role in the urban development and housing sector.

a) The national government shall strengthen its role in guiding, mobilizing and facilitating in housing and urban development. It shall define the urban development vision and provide a housing and urban development framework that will guide the investments and activities of the private sector. It shall provide policies on spatial integration, urbanization, urban environmental management,

1 urban redevelopment, urban land management, housing development and other  
2 related concerns to facilitate private enterprise and participation. It shall formulate  
3 and enforce a minimum set of regulations that will ensure the establishment of a  
4 level playing field in the provision of urban infrastructure and services and in the  
5 locational choices of investors, and prevent urban decay, congestion,  
6 diseconomies of scale and environmental degradation of urban areas.

7  
8 b) The national government shall provide policies that will mobilize public  
9 and private sector resources toward a self-sustaining housing finance system.

10  
11  
12 3.2. *Continuing Devolution of Functions to Local Governments.* The national  
13 government and local governments shall act as partners in housing and urban  
14 development. Functions, and the corresponding authority and accountability shall be  
15 continuously devolved to local government units, such devolution to be guided by the  
16 following:

17  
18 a) The delineation of functions between the national government and  
19 local governments shall be such that inefficiencies are removed, access to public  
20 services is improved, and plans, programs and services are responsive to local  
21 needs and opportunities. For this purpose, functions that are location specific in  
22 their benefits and costs shall, to the extent possible, be devolved to local  
23 governments.

24  
25 b) The determination of the proper level of government to which a  
26 function will be devolved shall be determined by the extent of the geographical  
27 effects of the benefits and the cost of undertaking such function.

28  
29 c) Local governments shall implement national government policies in  
30 their respective localities. Location specific functions that are to be devolved to  
31 local governments are those that relate to the provision of public goods and  
32 services. Local governments shall to the extent possible, encourage the private  
33 sector to assume primary responsibility for production of public goods, and limit  
34 their functions to enforcing standards and regulations or providing incentives.

35  
36 d) Local governments shall have full autonomy in housing and urban  
37 development planning and management consistent with national policies,  
38 strategies and regulatory framework.

39  
40 e) The national government shall be the facilitator, independent  
41 monitor and performance evaluator. National government shall formulate national  
42 standards and rules to guide local governments in the formulation of localized  
43 standards. The promulgation and enforcement of standards and regulations will be  
44 undertaken by local governments.

45  
46  
47 3.3. *Maximum Participation of the Private Sector and Communities in Housing*  
48 *and Urban Development.* The government shall provide policies to maximize private  
49 sector participation in housing and urban development and to mobilize public and private  
50 sector resources toward a self-sustaining housing and urban development finance system.  
51 The national government, through local governments, shall ensure that communities are  
52 involved in the formulation of housing and urban development policies and plans that  
53 will impact upon them, their livelihood and their living conditions. Full community  
54 participation in housing and urban development policies, programs and projects of  
55 government shall be encouraged.

1           3.4. *Responsiveness to the shelter needs of the urban poor communities.* The  
2 government shall directly address the concerns and needs of the urban poor communities  
3 by formulating the policies, providing and mobilizing resources, and designing as well as  
4 implementing programs and intervention that will address urban homelessness and  
5 unemployment. Government shall facilitate the establishment of a finance system that  
6 enables all sectors of society to have the opportunity to access funds and facilitate the  
7 provision of adequate shelter, security of tenure and appropriate infrastructure, where  
8 subsidies, if provided, are transparent in nature and targeted at those in need.

9  
10           3.5. *Clear Horizontal Compartmentalization and Coordination of Functions*  
11 *Among National Government Agencies.* The Department of Housing and Urban  
12 Development, created in this Act shall be the primary entity for policy formulation and  
13 coordination of all housing and urban development functions. It shall define the  
14 delineation of housing and urban development functions and responsibilities of and  
15 relationship among national government agencies to promote efficiency and  
16 effectiveness, clarify accountability, and ensure synchronization.

17  
18           3.6. *Policy and Coordinating Role of the Department of Housing and Urban*  
19 *Development.* The role of the Department is to support the accomplishment of the sector  
20 vision and, in particular, encourage more opportunities to improve the lives of the urban  
21 poor.

22  
23                                   **CHAPTER 2**  
24                                   **DEFINITION OF TERMS**  
25

26       **Section 4. Definitions.** As used in this Act, the following terms shall mean:  
27

28           4.1 Devolution - the transfer of responsibility, authority and accountability for  
29 the performance of a defined function from the national government to local  
30 governments.

31  
32           4.2 Urban Land Management - refers to the range of government interventions,  
33 including policies, incentives, regulation and titling, land use planning and zoning, land  
34 development, public information and conflict resolution that will promote the  
35 optimization and most efficient use of urban land, including appropriate land valuation to  
36 achieve efficiency in use, promote access, support economic productivity, ensure  
37 sustainable development and protect individual rights.

38  
39           4.3 Land Use Plan - refers to the document, formulated by the local government  
40 in consultation with its stakeholders, that defines or provides guidelines on the allocation,  
41 utilization, development and management of all lands within a given territory or  
42 jurisdiction according to the inherent qualities of the land itself and supportive of  
43 economic, demographic, socio-cultural and environmental objectives.

44  
45           4.4 Shelter - refers to the system and its components which establish the  
46 residential quality of life, including housing, utilities, access to social services and other  
47 community facilities, security, and other aspects related to an individual's residence.

48  
49           4.5 Urban Development - pertains to the process of occupation and use of land  
50 or space for such activities as residential, industrial, commercial and the like, necessary to  
51 carry out the functions of urban living. It entails the building or rebuilding of more or less  
52 permanent structures over land that is often withdrawn or converted from its original use,  
53 resulting in the creation of a built environment;

54  
55           4.6 Urban Development Planning - also called city planning or town planning,  
56 is a process that involves the planning of diverse elements that comprise an urbanized

1 area, including its physical infrastructure, environment, housing, transportation, and  
2 management of land use and urban growth.

3  
4 4.7 Urban Renewal or Redevelopment - the process of planned renewal,  
5 physical and socio-economic revitalization of outworn, old, derelict areas of towns and  
6 cities, as well as preservation of historical assets through redevelopment and  
7 rehabilitation.

8  
9 4.8 Secondary Mortgage Market - refers to the system, which entails purchase,  
10 acquisition, discounting, or refinancing of retail loan and mortgage packages or other  
11 similar instruments. Once purchased these instruments in turn are traded in the financial  
12 market through the issuance and or sale of bonds, promissory notes, debentures,  
13 conveyances, and other financial instruments or participation therein, backed by the same  
14 pool of mortgages and other assets.

15  
16 4.9 Zoning Ordinance - refers to the set of rules, regulations and specific  
17 procedures and requirements promulgated by the local government that will guide land  
18 use and land development and the development of built environment within the  
19 jurisdiction of the local government.

20  
21 4.10 Attachment – refers to the lateral relationship between the department and  
22 the attached agency or corporation for purposes of policy and program coordination and  
23 as further defined under the Administrative Code.

24  
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27 **CHAPTER 3**  
28 **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

29  
30 **Section 5. *Creation of the Department of Housing and Urban Development.*** There is  
31 hereby created the Department of Housing and Urban Development, hereinafter referred to as the  
32 Department.

33  
34 **Section 6. *Powers and Functions.*** The Department shall perform the following  
35 functions:

36  
37 6.1. Formulate the national urban development and shelter policy and strategy in  
38 coordination and consultation with the stakeholders, and ensuring its consistency with the  
39 National Development Plan;

40  
41 6.2. In consultation with the stakeholders, formulate the urban development and  
42 shelter planning framework, establish and operate a national urban development and  
43 shelter planning system, and develop the necessary planning guidelines, procedures, and  
44 urban development standards that will define and delineate the roles of all stakeholders,  
45 and guide the planning, standards localization, promulgation and enforcement of rules,  
46 and service delivery programs of national government and local governments, and  
47 facilitate private sector investment;

48  
49 6.3. Formulate housing finance policies, and recommend and facilitate the  
50 development of mechanisms that promote the establishment of a self-sustaining, private  
51 sector led housing finance system;

52  
53 6.4. Formulate and implement a shelter program for urban poor communities  
54 that will promote their social and economic welfare, and mobilize resources and  
55 encourage stakeholder participation in the provision of urban services for the poor;  
56

1           6.5. Provide assistance to and capability building of local governments in urban  
2 development, urban redevelopment and urban management in support of national policies  
3 and strategies in the sector, as well as strengthen the role of independent component cities  
4 and provincial governments as the primary entities for urban development planning and  
5 management at the local level;

6  
7           6.6. Develop and establish a sector performance monitoring and assessment  
8 mechanism, and monitor and independently report on the performance of the sector,  
9 national government agencies, and local governments in housing and urban development  
10 to enable continuing improvements in sector policy and strategy formulation;

11  
12           6.7. Delineate areas for priority development as urban renewal areas and prepare  
13 programs for their regeneration;

14  
15           6.8. Support devolution and decentralization where local governments in  
16 partnerships with communities, non-government organizations and private groups assume  
17 the functions of urban renewal and regeneration;

18  
19           6.9. Exercise administrative investigatory powers over local governments to  
20 ensure their faithful compliance with housing and urban development laws, standards and  
21 guidelines, as well as their judicious and fair application of local housing and urban  
22 development and housing ordinances, and require the submission by local governments  
23 of pertinent documents and information, as may be necessary in the judicious and  
24 effective conduct of investigation;

25  
26           6.10. Coordinate the policies and programs of attached agencies; and

27  
28           6.11. Perform such other related functions as may be mandated by law.

29  
30  
31           **Section 7. Mandate.** The Department shall be the primary national government entity  
32 responsible for the management of housing and urban development. It shall be the main planning  
33 and policy-making, program coordination, and performance monitoring entity for all housing and  
34 urban development concerns.

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38   **CHAPTER 4**  
39   **DEPARTMENT PROPER**

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41           **Section 8. Composition.** The Department Proper shall be composed of the Office of  
42 the Secretary, his/her immediate staff, the Offices of the Undersecretary and Assistant  
43 Secretaries, and the Offices and Services directly supportive of the Office of the Secretary.

44  
45           **Section 9. The Secretary.** The Secretary shall:

46  
47           (1) Advise the President on the promulgation of rules, regulations and other issuances  
48 relative to matters under the jurisdiction of the Department;

49  
50           (2) Establish policies and standards for the efficient and effective operations of the  
51 Department in accordance with the programs of the government;

52  
53           (3) Promulgate rules, regulations and other issuances necessary in carrying out the  
54 Department's mandate, objectives, policies, plans, programs and projects;

55  
56           (4) Exercise supervision and control over all functions and activities of the  
57 Department;

1  
2 (5) Delegate authority for the performance of any administrative or substantive  
3 function to subordinate officials of the Department; and  
4

5 (6) Perform such other functions as may be provided by law or assigned by the  
6 President.  
7

8 The Secretary shall also serve as an ex-officio, non-voting member of the National  
9 Economic and Development Authority (NEDA) Board, the governing boards of the Social  
10 Security System (SSS), the Government Service Insurance System (GSIS) and the Public Estates  
11 Authority (PEA). The Secretary shall be a member of the NEDA's Committee on Infrastructure  
12 (INFRACOM) and the Social Development Committee (SDC). The Secretary shall be a member  
13 of the body authorized to formulate, prescribe, or amend guidelines under Republic Act No.  
14 6957, otherwise known as the Build-Operate-Transfer Law. Further, the Secretary shall be the  
15 chairperson of the governing boards of the National Housing Authority (NHA), the Home  
16 Development Mutual Fund (HDMF), and the National Home Mortgage Finance Corporation  
17 (NHMFC), and the vice-chairperson of the governing board of the Home Guaranty Corporation  
18 (HGC).  
19  
20

21 **Section 10. *The Undersecretary and Assistant Secretaries.*** The Secretary shall be  
22 assisted by an Undersecretary and such Assistant Secretaries as may be necessary and allowed by  
23 law or organizational policy of government. The Undersecretary and Assistant Secretaries shall  
24 be career officers and shall be appointed by the President upon the recommendation of the  
25 Secretary. They shall have the powers and functions as provided for in Section 10, Chapter 2,  
26 Book IV of the Administrative Code of 1987. The Secretary is hereby authorized to delineate and  
27 assign the respective functional areas of responsibility of the undersecretary and assistant  
28 secretaries.  
29

30  
31 **Section 11. *Financial Management Service.*** The Financial Management Service  
32 shall:  
33

34 a) Formulate the medium-term and annual expenditure program for the  
35 Department and prepare, execute and administer the Department's annual budget;  
36

37 b) Develop and implement approaches, methodologies and procedures for  
38 ensuring efficiency in the allocation and utilization of budgetary and other resources of  
39 the Department;  
40

41 c) Provide accounting, financial management, disbursement and cashiering  
42 services to the department and ensure the submission of the appropriate financial and  
43 physical performance reports and financial statements;  
44

45 d) Monitor and make recommendations on the financial and physical  
46 performance of the Department's programs, projects and activities; and  
47

48 e) Perform such other related functions as may be assigned by the Secretary.  
49  
50

51 **Section 12. *Administrative Service.*** The Administrative Service shall provide the  
52 Department with efficient and effective services relative to personnel, human resources  
53 development, records management and custodial work, supplies and inventory management,  
54 procurement, physical assets management, and other related administrative functions as may be  
55 assigned by the Secretary.  
56



1  
2 **Section 13. *Legal and Legislative Service.*** The Legal and Legislative Service shall:

3  
4 a) Provide the Department, its officials and personnel with legal counseling  
5 services;

6  
7 b) Provide assistance to the Secretary in handling cases affecting the  
8 Department, and in the investigation of administrative cases involving Department  
9 personnel;

10  
11 c) Provide assistance to the Secretary and other Department personnel in the  
12 preparation of legislative proposals and legal issuances affecting the sector or the  
13 Department;

14  
15 d) Review and make recommendations to the Secretary on the legal and  
16 legislative implications of plans, programs and activities affecting the sector or the  
17 Department; and

18  
19 e) Perform such other related functions as may be assigned by the Secretary.  
20  
21

22 **Section 14. *Public Relations and Information Service.*** The Public Relations and  
23 Information Service shall:

24  
25 a) Formulate and implement a public information and relations program that  
26 will promote public and stakeholder knowledge of and feedback on the policies,  
27 regulations, incentives, opportunities and programs and projects in the housing and urban  
28 development sector;

29  
30 b) Prepare, produce and publish materials to support such public information  
31 and public relations program;

32  
33 c) Establish collaborative networks for the dissemination of information and  
34 generation of feedback on sectoral concerns; and

35  
36 d) Perform such other related functions as may be assigned by the Secretary.  
37  
38

39 **Section 15. *Information and Communications Technology Service.*** The Information  
40 and Communications Technology Service shall:

41  
42 a) Formulate and implement an information and communications technology  
43 plan for the sector that will ensure the speedy generation, organization, and processing of  
44 data and production of analytic information to support planning, policy formulation,  
45 performance monitoring and assessment and the transaction processing systems of the  
46 Department.

47  
48 b) Define the design of the integrated information systems and their functional  
49 specifications, and undertake the management of the development, operation and  
50 maintenance of applications;

51  
52 c) Establish collaborative electronic data sharing and communications linkages  
53 with other departments, agencies, industry and local government units to ensure the  
54 generation of comprehensive, up-to-date and accurate data and promote their wider use in  
55 decision making;  
56

1 d) Undertake continuing user training and assistance to improve computer  
2 literacy and promote the sophisticated use of information technology in planning,  
3 analysis, transaction processing and decision making;

4  
5 e) Be responsible for the maintenance and provision of support services to all  
6 Department employees in the use of information technology;

7  
8 f) Conduct continuing studies on best uses of information and communications  
9 technology in the housing and urban development sector; and

10  
11 g) Perform such other functions as may be assigned by the Secretary.  
12  
13

14 **Section 16. *Advisory Committees.*** The Secretary shall have the power to establish ad-  
15 hoc advisory committees, consisting of key representatives from the private sector, urban poor  
16 communities and other marginalized groups, academe, local governments, and national  
17 government to provide a forum for private sector participation and dialogue on key housing and  
18 urban development issues and policies.  
19

20 **Section 17. *Staffing Pattern.*** The Secretary shall prepare and implement a staffing  
21 pattern for the Department proper. The development of the staffing pattern shall be based on an  
22 assessment of the personnel requirements of the entire Department. The remuneration structure  
23 of the positions in the staffing pattern shall conform to the Salary Standardization Laws. The  
24 Department of Budget and Management shall fund in full the staffing pattern of the Department.  
25

26 The internal structure and the specific number of divisions that will comprise each of the  
27 above bureaus and units under the Department shall be determined and established by the  
28 Secretary.  
29

30  
31 **CHAPTER 5**  
32 **PLANS, POLICIES AND MONITORING OFFICE**  
33

34 **Section 18. *Plans, Policies and Monitoring Office.*** The Plans, Policies and  
35 Monitoring Office (PPMO), under the Office of the Secretary, shall be headed by an Assistant  
36 Secretary and shall be the central government policy, planning and monitoring think tank for  
37 housing and resettlement, and urban planning, development and regeneration. The PPMO shall  
38 be responsible for the:

39  
40 (a) Formulation of national housing policy, urban and regional development  
41 policies, and resettlement policy;

42  
43 (b) Updating of national urban development and housing framework;  
44 preparation of national shelter plan and agency corporate plan;

45  
46 (c) Provision of internal planning services; reviewing policies, plans and  
47 programs of key shelter agencies;

48  
49 (d) Conducting research and development in housing technologies and into  
50 housing and urban development;

51  
52 (e) Monitoring the effectiveness of government policies and programs in  
53 housing delivery and urban development, including those of the attached agencies;  
54

1 (f) Development of performance indicators for housing and urban  
2 development, develop the performance indicators and program targets for key shelter  
3 agencies and local governments;  
4

5 (g) Monitoring key shelter agencies' performance against targets as well as  
6 the accomplishment of national shelter plan and adherence to the urban development and  
7 housing framework;  
8

9 (h) Provision of internal evaluation services to HUDCC;

10 (i) Integration of housing and urban development data banks with those of  
11 other government agencies; and  
12

13 (j) Monitor the performance of local government programs in housing and  
14 urban development.  
15  
16

17  
18 **Section 19. *Bureaus under the PPMO.*** The Assistant Secretary for Plans, Policies and  
19 Monitoring shall supervise the following:  
20

21 (1) *Plans, Policies and Programs Bureau.* The Plans, Policies and Programs  
22 Bureau shall:  
23

24 a) Formulate, review and update, in consultation with national  
25 government agencies, local governments, private sector, communities and other  
26 stakeholders, national plans, objectives and policies for housing and urban  
27 development, specifically the National Urban Development and Housing  
28 Framework and the National Shelter Program;  
29

30 b) Establish and implement a national housing and urban development  
31 planning system and coordinate the preparation and timing of the sectoral plans of  
32 national government agencies with the local development plans of local  
33 government units, ensuring their consistency with the National Urban  
34 Development and Housing Framework, the National Shelter Program and the  
35 Medium-Term Philippine Development Plan;  
36

37 c) Design programs for the provision of capacity building assistance to  
38 local governments in housing and urban development planning, investment  
39 programming, formulation of zoning ordinances, plan administration and  
40 performance assessment;  
41

42 d) Formulate policies and design interventions that will directly address  
43 the shelter concerns of the urban poor communities, including the formulation of  
44 guidelines on eviction and relocation;  
45

46 e) Standardize planning data and sector information requirements under a  
47 uniform data classification and storage and through geographic information  
48 systems;  
49

50 f) Formulate a foreign-assisted projects framework consistent with the  
51 Urban Development and Housing Framework, National Shelter Program and  
52 Sector Public Investment Program;  
53

54 g) Formulate an effective monitoring and performance evaluation system  
55 and undertake the overall monitoring and performance assessment of foreign-  
56 assisted housing and urban development projects of the department, the attached

1 agencies and other national government agencies, local government units, and  
2 other entities;

3  
4 h) Establish project management units to manage and coordinate the  
5 implementation of foreign assisted projects of the Department, where necessary;

6  
7 i) Provide technical assistance to project management and  
8 implementation offices and units of foreign-assisted projects of the Department in  
9 the facilitation of project implementation in accordance with approved policies  
10 and schedules; and

11  
12 j) Perform such other functions as may be assigned by the Secretary.

13  
14  
15 (2) *Monitoring and Evaluation Bureau.* The Monitoring and Evaluation  
16 Bureau shall:

17  
18 a) Monitor and evaluate the performance of the sector particularly on  
19 the consistency of programs, projects and activities of national government  
20 agencies, local government units, industry and other stakeholders with the  
21 National Urban Development and Housing Framework, National Shelter Strategy,  
22 sector public investment programs and the policies of the department;

23  
24 b) Develop and operate a sector performance monitoring and  
25 evaluation system, and monitor, evaluate and independently report on the  
26 performance of the sector and that of local governments, industry, national  
27 government and other key sector stakeholders;

28  
29 c) Recommend changes and coordinate action needed to ensure the  
30 accomplishment of the objectives of the National Urban Development and  
31 Housing Framework, National Shelter Strategy, sector public investment  
32 programs and the policies of the department;

33  
34 d) Regularly monitor the corporate and operational performances of  
35 all the organic bureaus, attached agencies and corporations, and make  
36 recommendations thereon; and

37  
38 e) Perform such other related functions as may be assigned by the  
39 Secretary.

40  
41  
42 (3) *Housing Finance Development Bureau.* The Housing Finance  
43 Development Bureau shall:

44  
45 a) Formulate policies to encourage a sustainable market-oriented  
46 housing finance system to ensure adequate flow of private funds into the primary  
47 and secondary mortgage markets;

48  
49 b) Develop and implement incentive schemes to encourage greater  
50 participation by the private sector, communities and other stakeholders in the  
51 provision of housing and housing finance;

52  
53 c) Design the most appropriate subsidy mechanism to increase  
54 transparency and efficiency in the use of public funds, including the creation of a  
55 socialized housing fund or other mechanisms to administer up-front grants or

1 amortization support, and design the implementing systems and procedures for  
2 the program maximizing the principles of decentralization and devolution;

3  
4 d) Undertake continuing studies for the improvement of the  
5 institutional framework and administrative operations for housing finance;

6  
7 e) Recommend legislation to improve housing finance laws, policies  
8 and mechanisms and develop initiatives for private sector and community  
9 participation;

10  
11 f) Conduct continuing studies on improving housing finance,  
12 resource generation and mobilization, and their implementing strategies and  
13 mechanisms; and

14  
15 h) Administer homeless assistance advances/grants to LGUs, NGOs  
16 and private communities for temporary or emergency housing in response to man-  
17 made or natural calamities; and

18  
19 i) Perform such other functions as may be assigned by the Secretary.

20  
21  
22 (4) *Research and Development Service.* The Housing Finance Development  
23 Bureau shall:

24  
25 a) Formulate and implement a research and development agenda and  
26 mobilize public and private sector resources to generate new knowledge; develop  
27 and/or adopt new technologies; identify and design new products and services, to  
28 support continuing improvement in housing and urban development regulation,  
29 production and service delivery;

30  
31 b) Undertake continuing studies on the research and development  
32 requirements of the housing and urban development sector, for the purpose of, but  
33 not limited to policy development, planning and standards formulation;

34  
35 c) Establish collaborative mechanisms with international and local  
36 institutions, the academe and research institutions, industry, local governments  
37 and national government agencies, and other entities and individuals for  
38 knowledge sharing, research resources sharing, technology transfer,  
39 commercialization, and useful exploitation and industry use of research and  
40 development;

41  
42 d) Publish and disseminate research and development information to  
43 the public to promote innovation in the various aspects of housing and urban  
44 development; and

45  
46 e) Perform such other related functions as may be assigned by the  
47 Secretary.

48  
49  
50  
51 **CHAPTER 6**  
52 **URBAN DEVELOPMENT AND HOUSING OPERATIONS OFFICE**

53  
54 **Section 20.** *The Urban Development and Housing Operations Office.* The Urban  
55 Development and Housing Operations Office (UDHOO), under the Office of the Secretary, shall  
56 be headed by an Assistant Secretary and shall be responsible for the:

1  
2 (1) Development of the capacity of local governments to plan, implement and  
3 monitor housing, land management, urban development and urban redevelopment  
4 programs;

5  
6 (2) Development and administration of the national government subsidy  
7 program for social housing;

8  
9 (3) Provision of advice and guidance on the development of housing finance  
10 market in the Philippines; and

11  
12 (4) Provision of technical and administrative support to, management and  
13 implement of foreign assisted projects at the central level.  
14

15  
16 **Section 21. Bureaus under the UDHOO.** The Assistant Secretary for Urban  
17 Development and Housing Operations shall supervise the following:

18  
19 (1) *Housing and Land Use Regulation Bureau.* The Housing and Land Use  
20 Regulation Bureau shall be responsible to:

21  
22 a) Formulate, review and update national policies and standards,  
23 guidelines and regulations relative to land use for implementation and  
24 enforcement by local government units;

25  
26 b) Develop urban development planning and urban development, land  
27 use, zoning and urban management standards and guidelines for the formulation  
28 of local development plans, land use plans and zoning ordinances, and for local  
29 development administration and urban management by local governments,  
30 ensuring the integration of the spatial and socio-economic aspects of  
31 development, promoting consultation and consensus, and improving development  
32 quality;

33  
34 c) Formulate national standards and regulation relative to the  
35 development of condominium and sub-division projects, which will serve as  
36 guide for the enforcement of such regulation by the provincial governments and  
37 independent cities;

38  
39 d) Formulate zoning and other land use control standards and  
40 guidelines which shall govern the development and implementation of local land  
41 use plans and zoning ordinances of municipalities and component cities; the  
42 zoning components of civil works and infrastructure projects of the national,  
43 regional and local governments located within the geographical jurisdiction of the  
44 province or independent component city; sub-division or estate development  
45 projects of the public and private sectors; and urban renewal plans, programs and  
46 projects; Provided, that these standards and guidelines shall respect the  
47 classification of public lands for forest purposes as certified by the Department of  
48 Environment and Natural Resources;

49  
50 e) Monitor, evaluate, investigate and independently report on the  
51 performance of local governments, the private sector, and other stakeholders in  
52 the aspects of housing development, land use management, and their regulation;

53  
54 f) Issue rules and regulations to enforce the land use policies as  
55 prescribed by existing laws on land use and such other laws regulating the use of  
56 land, including the regulatory aspect of the Urban Land Reform Act and all

1 decrees relating to the value of land and improvements and their rental, in their  
2 respective geographical areas of jurisdiction;

3  
4 g) Develop and install the housing and land use development oversight  
5 monitoring system and undertake reserve compliance monitoring function deemed  
6 vital by the Secretary.

7  
8 h) Formulate and implement real estate consumer education and  
9 protection programs; and

10  
11 i) Perform such other related functions as may be assigned by the  
12 Secretary.

13  
14  
15 (2) *Urban Land Management and Regeneration Bureau.* The Urban Land  
16 Management and Regeneration Bureau shall be responsible to:

17  
18 a) Formulate urban land management, renewal and regeneration  
19 policies, strategies, concepts, and models; mobilize community support and create  
20 the governance mechanisms, incentives and disincentives and other modes of  
21 intervention to mobilize public and private sector resources;

22  
23 b) Undertake continuing monitoring and assessment of urban land  
24 management policies, programs, interventions and institutional mechanisms and  
25 assess the urban land management, renewal and regeneration needs and reform  
26 requirements to improve policy and strategy formulation;

27  
28 c) Coordinate the urban land management, renewal and regeneration  
29 activities of the national government to ensure efficient use of public resources;  
30 prevent duplication and overlapping, streamline procedures, encourage private  
31 sector and community participation and improve services;

32  
33 d) Undertake studies on urban land management regeneration, and  
34 apply best practice and lessons in improving policy, government intervention and  
35 practice;

36  
37 e) Design programs for improving capacities of local governments in  
38 urban land management, renewal and regeneration; and

39  
40 f) Perform such other functions as may be assigned by the Secretary.  
41

## 42 43 CHAPTER 7

### 44 OFFICE FOR REGIONAL OPERATIONS

45  
46 **Section 22.** *The Office for Regional Operations.* The Office for Regional Operations  
47 shall exercise supervision and control over the Department's Regional Offices, described in  
48 Section 24 hereof. It shall be responsible for the provision of public information, monitoring of  
49 LGU performance, development of a regional-central reporting and workhow processes,  
50 provision of government assistance to LGUs, administration of subsidy and other regional  
51 operations.

52  
53 **Section 23.** *Regional Offices.* The Department is hereby authorized to establish,  
54 operate and maintain a Department-wide regional office in each of the country's administrative  
55 regions. Each Regional Office shall be headed by a Regional Director and shall have, within its  
56 administrative region, the following functions:

- 1  
2 a) Implement the policies and programs of the Department in the concerned  
3 region;  
4  
5 b) Implement the local government housing and urban development capacity  
6 building programs of the Department in their respective regions;  
7  
8 c) Ensure the consistency of the over-all regional development goals and  
9 programs with the National Urban Development and Housing Framework, and the  
10 National Shelter Program, and vice-versa; similarly between Department programs and  
11 regional plans of other government agencies;  
12  
13 d) Review all local development and land use plans of provinces and  
14 independent cities for purposes of ensuring compliance with laws within thirty (30) days  
15 from receipt thereof;  
16  
17 e) Undertake the independent monitoring and review of sector performance and  
18 the performance of national government, local governments, industry and other  
19 stakeholders in the regions, and recommend appropriate action thereon;  
20  
21 f) Monitor, investigate and assess compliance to approved subdivision and  
22 condominium plans; and for the purpose, impose fines/penalties and, on its own motion  
23 or upon complaint of any interested party, after the conduct of appropriate investigation,  
24 issue notices of violations and Cease and Desist Orders for non-compliance thereof;  
25  
26 g) Coordinate the housing and urban development planning process in the  
27 regions to ensure the delivery of various activities and services such as titling, issuance of  
28 permits for subdivision plans, the provision of social and livelihood services, and other  
29 services related to housing and urban development;  
30  
31 h) Maintain a regional database and information system for the sector in the  
32 region;  
33  
34 i) Undertake a public information program to provide the industry, general  
35 public and other stakeholders with information on national and local government policies,  
36 regulations and programs, as well as to establish a consultative mechanism to serve as a  
37 forum for continuing planning and evaluation of settlement programs and projects;  
38  
39 j) Implement, monitor and evaluate policies, rules and regulations governing  
40 resettlement, relocation/eviction or demolition due to for government projects which  
41 will involve the eviction or demolition of structures of homeless and  
42 underprivileged citizens, and recommend appropriate action thereon;  
43  
44 k) Ensure that local government units institute preventive measures against  
45 squatting and address other concomitant problems, such as rural to urban migration;  
46  
47 l) Monitor and evaluate the implementation of government's programs and  
48 projects which would require housing provision and/or relocation and resettlement  
49 activities, and recommend appropriate action thereon;  
50  
51 m) Administer homeless assistance advances/grants to LGUs, NGOs and private  
52 communities for temporary and emergency housing, in response to man-made and  
53 natural calamities;  
54



1 n) Implement innovative, clearly defined, transparent and on-budget housing  
2 subsidy mechanisms for the homeless and underprivileged in the regions to enhance  
3 accessibility to housing;

4  
5 o) Registration of incorporation of home-owners associations and  
6 condominium corporations; and

7  
8 p) Perform such other functions as may be assigned by the Secretary.  
9

10  
11 **CHAPTER 8**  
12 **ATTACHED AGENCIES**  
13

14 **Section 24. *Attached Agencies and Corporations.*** The following agencies and  
15 corporations are hereby attached to the Department for policy and program coordination:  
16

17 24.1. National Housing Authority (NHA);

18 24.2. Housing Guarantee Corporation (HGC);

19 24.3. National Home Mortgage Finance Corporation (NHMFC);

20 24.4. Home Development Mutual Fund (HDMF); and

21 24.5. Housing and Urban Development Adjudication Commission (HUDAC).  
22

23 **Section 25. *National Housing Authority (NHA).*** The National Housing Authority  
24 shall remain as the sole national government arm for shelter production and shall institute such  
25 programs and approaches that will promote housing provision for low-income families. It shall  
26 encourage private sector participation in socialized housing production and assist local  
27 governments in building capabilities for the implementation of *local housing programs and*  
28 *projects.*  
29

30 **Section 26. *Home Guarantee Corporation (HGC).*** The Home Guaranty Corporation  
31 shall concentrate on its mandate of providing guarantees to: (a) encourage the flow of private  
32 funds for mass housing development and homebuyers' financing, and (b) support the  
33 development and sustainability of the secondary mortgage market for housing. The Corporation  
34 shall conduct studies and initiate activities for greater private sector participation in the short-  
35 term and for its eventual privatization over the medium term.  
36

37 **Section 27. *National Home Mortgage Finance Corporation (NHMFC).*** The National  
38 Home Mortgage Finance Corporation shall focus on its designated function as the secondary  
39 mortgage institution of the country. To achieve this, the Corporation shall implement measures  
40 necessary to enhance its organizational capability and financial soundness, including, but not  
41 limited to, *improvement of collection efficiency, restructuring of management information*  
42 *systems, and upgrading of its technical capability.* The Corporation shall conduct studies and  
43 *initiate activities for greater private sector participation in the short-term and for its eventual*  
44 *privatization over the medium term.*  
45

46 **Section 28. *Home Development Mutual Fund (HDMF).*** The Fund shall continue its  
47 function of providing a savings systems for public and private sector employees with housing as  
48 *its primary investments, provided for in P.D. 1752, as amended by E.O. 35 and Republic Act*  
49 *7742.*  
50

51 **Section 29. *Nature of Attachment.*** The Secretary shall in concurrent capacity, be the *ex*  
52 *officio* chairperson of the governing boards of the attached corporations, namely, the NHA, the  
53 HGC, the NHMFC and the HDMF.  
54  
55

1  
2  
3                                   **CHAPTER 9**  
4                                   **HOUSING AND URBAN DEVELOPMENT ADJUDICATION COMMISSION**

5           **Section 30. Renaming and Reconstitution of the Housing and Land Use Regulatory**  
6 *Board.* The Housing and Land Use Regulatory Board is hereby renamed and reconstituted as the  
7 Housing and Urban Development Adjudication Commission (HUDAC), hereinafter to be referred  
8 as the Commission.  
9

10           **Section 31. Composition and Qualification of Members.** The Commission shall be  
11 composed of a Chairperson and fourteen (14) full-time Members to be appointed by the  
12 President, majority of whom shall be members of the Philippine Bar while the others shall have a  
13 background or experience in urban development planning, development and implementation of  
14 shelter programs for urban poor communities, management, architecture, civil engineering, and  
15 other related fields. They must have been engaged in the practice of their respective professions  
16 or specialization or employed in an appropriate office for a period of at least five (5) years. In  
17 addition, no person who has been convicted of a crime involving moral turpitude shall be  
18 appointed as members of the Commission.  
19

20           The Commission may sit en banc or in five (5) divisions, each composed of three (3)  
21 members. Subject to the penultimate sentence of this paragraph, the Commission shall sit en  
22 banc only for purposes of promulgating rules and regulations governing the hearing and  
23 disposition of cases before any of its divisions and regional offices and formulating policies  
24 effecting its administration and operations. The Commission shall exercise its adjudicatory and  
25 all other powers, functions, and duties through its divisions. Of the five (5) divisions, the first,  
26 second and third divisions shall handle cases coming from the National Capital Region and the  
27 parts of Luzon; and the fourth and fifth divisions, cases from the Visayas and Mindanao,  
28 respectively; Provided, That the Commission sitting en banc may, on temporary or emergency  
29 basis, allow cases within the jurisdiction of any division to be heard and decided by any other  
30 division whose docket allows the additional workload and such transfer will not expose litigants  
31 to unnecessary additional expense; and, Provided further that the Commission shall designate  
32 one (1) division to hear and resolve cases involving eviction and relocation of urban poor  
33 communities. The divisions of the Commission shall have exclusive appellate jurisdiction over  
34 cases within their respective territorial jurisdictions.  
35

36           The concurrence of two (2) Commissioners of a division shall be necessary for the  
37 pronouncement of judgment or resolution. Whenever the required membership in a division is  
38 not complete and the concurrence of two (2) Commissioners to arrive at a judgment or resolution  
39 cannot be obtained, the Chairperson shall designate such number of additional Commissioners  
40 from the other divisions as may be necessary.  
41

42           The conclusions of a division on any case submitted to it for decision shall be reached in  
43 consultation before the case is assigned to a member for the writing of the decision. It shall be  
44 mandatory for the division to meet for purposes of the consultation ordained therein. A  
45 certification to this effect signed by the Presiding Commissioner of the division shall be issued  
46 and a copy thereof attached to the record of the case and served upon the parties.  
47

48           The Chairperson shall be the Presiding Commissioner of the first division and the four (4)  
49 other senior members shall be the Presiding Commissioners of the second, third, fourth and fifth  
50 divisions, respectively. In the case of the effective absence or incapacity of the Chairperson, the  
51 Presiding Commissioner of the Second Division shall be Acting Chairperson.  
52

53           The Chairperson, aided by the Executive Clerk of the Commission, shall have  
54 administrative supervision over the Commission and its regional branches and all its personnel  
55 including the Executive Housing and Land Use Arbiters and Housing and Land Use Arbiters.  
56

1 The Commission, when sitting en banc shall be assisted by the Executive Clerk and,  
2 when acting through its Divisions by the Division Clerk, respectively, who shall perform such  
3 similar or equivalent functions and duties as are discharged, by the Clerk of Court and Deputy  
4 Clerk of Court of the Court of Appeals.  
5  
6

7 **Section 32. Term and Compensation.** The Members of the Commission shall be  
8 appointed for a term of six (6) years, without prejudice to reappointment, after the said term shall  
9 have expired. The Chairperson and Members of the Commission shall receive an annual salary at  
10 least equivalent to that of, and be entitled to the same allowances and benefits as, an  
11 Undersecretary and Assistant Secretary of the Department, respectively.  
12

13 The incumbent full-time Commissioners of the present HLURB shall remain in Office  
14 unless they opt to avail of the retirement and separation benefits provided in Section 49 of this  
15 Act or are sooner removed for cause.  
16  
17

18 **Section 33. Jurisdiction.** The Housing and Land Use Arbiters shall exercise original  
19 and exclusive jurisdiction to hear and decide cases involving the following:  
20

21 33.1. On Real Estate -  
22

- 23 a) Unsound and fraudulent real estate business practices;  
24  
25 b) Claims for refund against project owners, developers, dealers, brokers  
26 and salespersons;  
27  
28 c) Specific performance of contractual and statutory obligations filed by  
29 buyers of subdivision lots or condominium units against the owner, developer,  
30 dealer, broker or salespersons;  
31  
32 d) Squatting on subdivision lots;  
33  
34 e) Eviction and relocation of squatter communities;  
35  
36 f) Disputes involving buyer-financing agreements with any financing  
37 institution for condominium/subdivision projects;  
38  
39 g) Disputes involving easements or right of way arising from, related to  
40 or in connection with the development of subdivision and housing projects;  
41  
42 h) Disputes between: (1) land owners and developers, and (2) banks and  
43 developers, whenever the interest of buyers of subdivision lots, or house and lots,  
44 or condominium units are involved;  
45  
46 i) Releases of mortgage titles of subdivision lots and condominium units;  
47  
48 j) Disputes involving easement of waterways, drainage, connections and  
49 light and view arising from, related to or in connection with the development of  
50 subdivision and housing projects;  
51  
52 k) Disputes involving homeowners associations and condominium  
53 corporations, whether intra corporate or inter corporate;  
54  
55 l) Claims of broker/salesmen for unpaid commissions for  
56 condominium/sub-division projects;

1  
2 m) Other related cases arising from contractual or statutory obligations of  
3 owners, dealers, brokers or salesmen towards lot or unit buyers; and  
4

5 n) Regulation of the relationship between residential lessors and lessees  
6 that are governed by the Rent Control Law.  
7

8  
9 33.2. On Housing and Land Use Planning and Regulation - Decisions and  
10 actions of: (1) local housing boards or provincial governments, highly urbanized  
11 independent component cities and the cities and municipalities of Metro Manila; (2)  
12 regional and local physical planning and zoning bodies, including zoning boards of  
13 adjustment and appeals on complaints alleging violations of local zoning ordinances not  
14 involving land conversion issues; and (3) provincial and component independent city  
15 governments with respect to applications relative to applications with opposition,  
16 petitions or complaints for revocation of clearances, permits and licenses issued and  
17 issuance of Cease and Desist Orders and administrative fines.  
18

19  
20 33.3. On Shelter Rights - Violations of administrative rules and regulations  
21 implementing Sections 18 and 28 of Republic Act 7279, otherwise known as the Urban  
22 Development and Housing Act.  
23

24  
25 The Commission shall have exclusive appellate jurisdiction over all cases decided by the  
26 Housing and Land Use Arbiters.  
27

28  
29 **Section 34. Power and Authority.** The Commission shall have the following powers  
30 and authorities:  
31

32 34.1. To promulgate rules and regulations governing the hearing and disposition  
33 of cases filed before it and those pertaining to its internal functions and such other  
34 regulations as may be necessary to carry out the purposes for which it is established;  
35 Provided, That it shall not be bound by technical rules of procedure but shall proceed to  
36 hear and decide all cases, disputes or controversies in a most expeditious manner,  
37 employing all reasonable means to ascertain the facts of every case in accordance with  
38 justice, equity and merit;  
39

40 34.2. To administer oaths, summon parties to a controversy, issue subpoenas  
41 requiring attendance and testimony of witnesses or the production of such books, papers,  
42 contracts, records, agreements and other documents of similar nature as may be material  
43 to a just determination of the matter under investigation or hearing conducted in  
44 pursuance of this Act;  
45

46 34.3. To issue writs, orders to execute demolition, or seizure or closure of  
47 property in accordance with its decision;  
48

49 34.4. To issue preliminary or permanent injunctions, whether prohibitory or  
50 mandatory, in all cases in which it has jurisdiction, and in which the pertinent provisions  
51 of the Rules of Civil Procedure shall apply;  
52

53 34.5. To hold any person in contempt, directly or indirectly, and impose  
54 appropriate penalties thereof;  
55

1           34.6. To impose administrative fines and /or penalties for violation of this Act,  
2 the Urban Development and Housing Act; and other laws implemented by the  
3 Commission, including pertinent rules and regulations, orders, decisions and/or rulings;  
4 Provided, That the maximum fines or penalties to be imposed shall not exceed Five  
5 Hundred Thousand Pesos (P500,000.00); Provided, further, That the Commission may  
6 adjust such rates not more than once every three (3) years;

7  
8           34.7. To determine and order the payment by the losing party of the cost of the  
9 litigation incurred by the winning party and prescribe the manner in which such payments  
10 shall be made;

11  
12           34.8. To deputize any law enforcement agency in the execution of its final  
13 orders, rulings or decisions; and

14  
15           34.9. To exercise such other powers as implied, necessary, or incidental to  
16 carrying out the express powers granted to the Commission or to achieve the objectives  
17 and purposes of this Act, and other laws implemented by the Commission.

18  
19           The Chairperson, aided by the Executive Clerk of the Commission, shall have  
20 administrative supervision over the Commission and its regional branches and all its personnel  
21 including the Housing and Land Use Arbiters.

22  
23  
24           **Section 35. Criminal Prosecution.** Criminal prosecution for violation of housing laws  
25 and regulations shall be instituted before regular courts with appropriate jurisdiction.

26  
27           **Section 36. Housing and Land Use Arbiters, Qualifications, Powers and Functions.**  
28 The qualifications, powers and functions of the Housing and Land Use Arbiters shall be as  
29 indicated hereunder:

30  
31           36.1. The Secretary, upon recommendation of the Chairperson of the  
32 Commission, shall appoint Housing and Land Use Arbiters as the needs of the service  
33 may require for each administrative region.

34  
35           36.2. No person shall be appointed Housing and Land Use Arbiters unless he/she  
36 is a member of the Philippine Bar with at least three (3) years experience or exposure in  
37 the field of real estate and land use development cases;

38  
39           36.3. The Housing and Land Use Arbiters shall receive an annual salary at least  
40 equivalent to that of, and be entitled to the same allowances and benefits, as an Assistant  
41 Regional Director of the Department.

42  
43           36.4. The Housing and Land Use Arbiters shall have original and exclusive  
44 jurisdiction to hear and decide cases enumerated in Section 34 of this Act.

45  
46  
47           **Section 37. Sheriff.** The Commission shall appoint a sheriff or such number of sheriffs  
48 in its central and regional branches. No person shall be appointed to the position of sheriff unless  
49 he is a second grade civil service eligible and has finished at least two (2) years of college. The  
50 sheriff shall be responsible for the service or execution of all writs, summons and orders and  
51 other processes of the Commission.

52  
53           **Section 38. Appearances.** A lawyer appearing for a party is presumed to be properly  
54 authorized for that purpose. A non-lawyer may appear before the Commission or the Housing  
55 and Land Use Arbiters only if: a) he/she represents him/herself as parties to the case; or b) he/she

1 represents his/her organization or members thereof; Provided, That he/she shall be made to  
2 present written proof that he/she is properly authorized.

3  
4 **Section 39. Appeals.** Decisions, awards or orders of the Housing and Land Use Arbiters  
5 shall be final and executory unless appealed to the Commission within ten (10) calendar days  
6 from receipt of such decisions, awards or orders. The appeal may be entertained only on any of  
7 the following grounds:

8  
9 (a) If there is *prima facie* evidence of abuse of discretion on the part of the  
10 Housing and Land Use Arbiter in rendering the questioned decision, award or order;

11  
12 (b) If the decision, order or award was secured through fraud or coercion,  
13 including graft and corruption;

14  
15 (c) If made purely on questions of law; and

16  
17 (d) If serious errors in the findings of facts are raised, which would cause  
18 grave or irreparable damage or injury to the appellant.

19  
20 Decisions of the Commission can be appealed only to the Court of Appeals by way of a  
21 Petition for Review within fifteen (15) days from notice of judgment, award or order pursuant to  
22 Rule 43 of the 1997 Rules of Civil Procedure.

23  
24 **Section 40. Prohibition Against Restraining Order of Injunction.** No lower court of  
25 the Philippines shall have jurisdiction to issue any restraining order or writ of preliminary  
26 injunction or permanent injunction against the Commission or its Housing and Land Use  
27 Arbiters in any case, dispute or controversy arising from, necessary to, or in connection with the  
28 application, implementation, enforcement or interpretation of this Act and other pertinent laws  
29 on housing and just and humane eviction or demolition procedures.

30  
31 **Section 41. Pending Cases.** All cases pending in court arising from or in connection  
32 with the implementation of pertinent laws on housing and just and humane eviction/demolition  
33 procedures shall continue to be heard, tried and decided to their finality.

34  
35  
36 **CHAPTER 10**  
37 **FUNCTIONS OF LOCAL GOVERNMENTS IN RELATION TO HOUSING AND**  
38 **URBAN DEVELOPMENT**  
39

40 **Section 42. Continuing Devolution of Functions to Local Governments.** The national  
41 government, through the Department of Housing and Urban Development, and in consultation  
42 with the Department of Interior and Local Government and the local governments, shall  
43 formulate and implement a continuing devolution program for housing and urban development  
44 sector functions, responsibilities, authority and accountability, in accordance with the principles  
45 of sector governance stipulated in this Act.

46  
47 **Section 43. Devolution of Rule Enforcement Functions to Provinces and Independent**  
48 **Component Cities.** The following regulatory functions of the Housing and Land Use Regulatory  
49 Board as provided for in Executive Order No. 648, dated 07 February 1981 as amended by  
50 Executive Order No. 90, dated 17 December 1986, are hereby devolved to provincial  
51 governments, independent component city governments and the cities and municipalities of the  
52 Metropolitan Manila Area; Provided that all rule promulgation and enforcement functions and  
53 activities of local government units, are in accordance with the prescribed regulatory framework  
54 and policies as well as guidelines issued by the Department of Housing and Urban Development:  
55

1           43.1. Review, evaluate and approve or disapprove comprehensive local  
2 development plans, local land use plans and zoning ordinances of component cities and  
3 municipalities; the zoning components of civil works and infrastructure projects of  
4 national, regional and local governments; subdivision, condominium or estate  
5 development projects including industrial estates, of the public and private sectors; and  
6 urban renewal and regeneration plans, programs and projects; Provided that the review  
7 and approval of such comprehensive local development plans, local land use plans and  
8 zoning ordinances shall respect the classification of public lands for forest purposes as  
9 certified by the Department of Environment and Natural Resources; and Provided that the  
10 classification of specific alienable and disposable lands by the Bureau of Lands shall be  
11 in accordance with the relevant zoning ordinance of the local government where such  
12 lands are located; and the provisions of RA 6657 with regard to the lands distributed, and  
13 issued notice of coverage under the Comprehensive Agrarian Reform Program (CARP)  
14 as certified by the Department of Agrarian Reform; Provided, Further, that nothing in this  
15 Section shall be construed as repealing, amending or modifying in any manner, the  
16 provisions of RA 6657.

17  
18           43.2. Registration of subdivision lots and condominium projects; issuance of  
19 license to sell subdivision lots and condominium units in the registered units; approval of  
20 performance bond and the suspension of license to sell; approval or mortgage on any  
21 subdivision lot or condominium unit made by owner or developer; granting of permits for  
22 the alteration of plans and the extension of period for completion of subdivision or  
23 condominium projects, subject to the standards and requirements of the Department;

24  
25           43.3. Impose fines and penalties as may be allowed under existing laws or  
26 Department policies, and guidelines;

27  
28           43.4. Conduct public hearings and consultations on the promulgation of  
29 regulation;

30  
31           43.5. Formulate and adopt rules and procedures for rule enforcement;

32  
33           43.6. Provide information to the Department necessary in the monitoring of  
34 local urban development and housing in accordance with the report content and  
35 formatting guidelines of the Department; and

36  
37           43.7. Perform such other related regulatory functions as may be provided for by  
38 law.

## 39 40 41    **CHAPTER 11** 42    **TRANSITORY PROVISIONS**

43  
44           **Section 44. *Transfer of Functions.*** The following functions are hereby transferred as  
45 stipulated hereunder:

46  
47           44.1. The rule, standards and guidelines formulation functions of the Housing  
48 and Land Use Regulatory Board is hereby transferred to the Department, while its rule  
49 promulgation and enforcement functions are hereby transferred to the provincial  
50 governments, independent component cities and to the cities and municipalities  
51 comprising the Metropolitan Manila Area.

52  
53           44.2. The registration of incorporation of homeowners associations and  
54 condominium corporations are hereby transferred to the regional offices of the  
55 Department.  
56

1  
2       **Section 45. *Formulation of Regulatory Framework and Devolution Implementation***  
3 **Program.** The Department shall formulate a regulatory framework and design the necessary  
4 policies, standards, guidelines and procedures to guide the rule promulgation and enforcement  
5 functions of provincial governments, independent component cities and the cities and  
6 municipalities of the Metropolitan Manila Area. The Department shall formulate and implement  
7 a devolution plan which shall include a multi-year capacity building program, and technical  
8 assistance services for the institutional capacity development of provincial governments,  
9 independent component cities and the cities and municipalities of the Metropolitan Manila Area  
10 and the gradual transfer of regulatory functions, and the turnover of the pertinent records and  
11 transactions to the pertinent local governments which should be completed within Five (5) years  
12 from the effectivity of this Act.

13  
14       **Section 46. *Abolition and Conversion of Agencies.*** The following dispositive actions  
15 shall be implemented within six (6) months from the effectivity of this Act:

16  
17       46.1. The Housing and Urban Development Coordinating Council and the  
18 Presidential Committee for Mass Housing are hereby abolished. Its functions, assets,  
19 equipment, funds, choses in action, records and pertinent transactions, shall be transferred  
20 to the Department of Housing and Urban Development. The employees of the abolished  
21 Council and Committee may be transferred and absorbed to the Department subject to its  
22 staffing pattern and the selection process as prescribed under Republic Act No. 6656 on  
23 the Rules on Government Reorganization.

24  
25       46.2. The Housing and Land Use Regulatory Board is hereby converted to and  
26 renamed as the Housing and Urban Development Adjudication Commission. The assets,  
27 equipment, funds, personnel, pertinent records, choses in action, and pertinent  
28 transactions of the Board are hereby transferred to the Commission. The Commission  
29 shall formulate and complete its internal organic structure and its regional offices,  
30 staffing, operating systems and procedures and new budget within six (6) months from  
31 the effectivity of this Act.

32  
33  
34       **Section 47. *Transfer of Rights, Assets and Liabilities.*** The Department shall, by virtue  
35 of this Act, be subrogated to all rights and assume all the liabilities of the Housing and Urban  
36 Development Coordinating Council, Presidential Commission on Mass Housing and all other  
37 agencies of the government whose functions and powers have been transferred to the  
38 Department, and all their pertinent funds, records, property, assets, equipment and such  
39 personnel, as may be necessary, including unexpended portions of their appropriations, except  
40 the assets, pertinent funds, records, property, assets, equipment and personnel of the Housing and  
41 Land Use Regulatory Board.

42  
43       **Section 48. *Transition Period.*** All transfer of functions, assets, funds, personnel,  
44 equipment, property, transactions and personnel in affected national government agencies; and  
45 the formulation and implementation of the internal organic structures, staffing patterns, operating  
46 systems and revised budgets of the Department, and the Commission Act, shall be completed  
47 within six (6) months, during which existing personnel shall continue to assume their posts in  
48 holdover capacity. The Secretary shall determine which funds, personnel, equipment, property,  
49 transactions and personnel will be transferred to, and assumed by, the different agencies under  
50 the DHUD in accordance with the functions assumed by each agency.

51  
52       **Section 49. *Impact Mitigation Strategy.*** The Secretary shall formulate and implement  
53 respective impact mitigation strategies of the Department and its attached agencies/corporations  
54 that will minimize adverse effects on existing personnel of the creation or modification of  
55 organization structures and staffing of the Department and its attached agencies, in accordance



1 with pertinent provisions of the Civil Service Code, the Administrative Code, and pertinent  
2 budgetary rules and regulations. Employees separated from the service as a result of the abolition  
3 or reorganization under the provisions of this Act shall, within one (1) month from their  
4 separation, receive a separation pay equivalent to one hundred fifty percent of their monthly  
5 basic salary for every year of service in the government; Provided that those who are qualified to  
6 retire under existing retirement laws shall be allowed to retire and be entitled to all benefits  
7 provided under said retirement laws and shall receive said benefits within ninety (90) days from  
8 their separation from service.

9  
10 **Section 50. Formulation of Implementing Rules and Regulations and Other**  
11 **Implementation Mechanisms.** The following implementing rules and regulations (IRR) shall be  
12 prepared and issued as indicated hereunder:

13  
14 50.1. The Implementing Rules and Regulations for the operationalization of the  
15 Housing and Urban Development Adjudication Commission and the conversion of the  
16 Housing and Land Use Regulatory Board into the Commission, within sixty (60) days  
17 upon approval of this Act.

18  
19 50.2. The Implementing Rules and Regulation for the creation of the  
20 Department of Housing and Urban Development, the abolition of the Housing and Urban  
21 Development Coordinating Council and the transfer and refocusing, as the case may be,  
22 of the attached agencies, within sixty (60) days upon approval of this Act.

23  
24 50.3. The promulgation of the rules and regulation governing the hearing and  
25 disposition of cases and the other adjudication functions of the Commission, within six  
26 (6) months after the constitution of the Commission.

27  
28 50.4. The Urban Development Planning System, and the corresponding  
29 implementing guidelines, to be completed and operational within six (6) months upon  
30 approval of this Act and the updated Housing and Urban Development Framework and  
31 Plan completed within one (1) year upon approval of this Act.

32  
33  
34 **CHAPTER 12**  
35 **IMPLEMENTATION AUTHORITY AND FUNDING**

36  
37 **Section 51. Implementing Authority.** The Secretary of the Department and the  
38 Chairperson of the Commission are hereby authorized to undertake the implementation of the  
39 provisions of this Act and implement the necessary organizational changes within the specified  
40 six (6) month transition period.

41  
42 **Section 52. Authority of Attached Agencies to Reorganize.** The boards of attached  
43 corporations and the Chairperson and Commissioners of the Housing and Urban Development  
44 Adjudication Commission are hereby authorized to make the necessary changes and  
45 improvements in their respective internal formal structures, operating systems, staffing and  
46 budget configuration in order to implement the newly mandated or refocused mandates and  
47 functions stipulated in this Act.

48  
49 **Section 53. Protection of Security of Tenure by Affected Personnel.** The existing  
50 authority granted pursuant to the preceding two Sections shall be governed by the provisions of  
51 R.A. 6657 and relevant Civil Service rules and regulations in order to protect the security of  
52 tenure of personnel who shall be affected by the reorganization.

53  
54 **Section 54. Funding.** The amount in excess of the unreleased balance of the budgets of  
55 the Department and the Commission, which is needed for the initial implementation of this Act,  
56 as may be determined by the Secretary in the case of the Department of Housing and Urban

1 Development and the Chairperson in the case of the Housing and Urban Development  
2 Adjudication Commission, shall be released by the Department of Budget and Management  
3 within thirty (30) days upon submission by the Department and the Commission of their  
4 respective budget estimates.

5  
6  
7 **CHAPTER 13**  
8 **MISCELLANEOUS PROVISIONS**  
9

10 **Section 55. *Mandatory Review of the Implementation of this Act.*** The Department shall  
11 conduct and submit a report to Congress a review of the implementation of this Act, at the end of  
12 the second year after the effectivity of this Act for implementation at the national government  
13 level, and at the end of the fifth year with respect to the devolution of functions to local  
14 governments.

15  
16 **Section 56. *Repealing Clause.*** All laws, ordinances, rules, regulations, and other  
17 issuances or parts thereof, which are inconsistent with the provisions of this Act, are hereby  
18 repealed or modified accordingly.

19  
20 **Section 57. *Separability Clause.*** Any portion or provision of this Act that may be  
21 declared unconstitutional shall not have the effect of nullifying other portions or provisions  
22 hereof as long as such remaining portions or provisions can still subsist and be given effect in  
23 their entirety.

24  
25 **Section 58. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication in  
26 at least two (2) newspapers of general circulation.

27  
28 Approved,