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SENATE

SENATE BILL NO. 2691

INTRODUCED BY **SENATOR JOSEPH VICTOR G. EJERCITO**

AN ACT CREATING THE DEPARTMENT OF HUMAN SETTLEMENT AND URBAN DEVELOPMENT, DEFINING ITS MANDATES, POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The 1987 Constitution, Article XIII, Section 9 provides:

"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."

Despite this declared State policy, the Philippines continue to have problems in human settlement and urban development brought about by the increase in population resulting to the increase in housing backlog. Legislative measure and funding are lacking to address this concern.

Based on the 2010 Census of Population and Housing by the Philippine Statistics Authority, the housing needs has reached a total of 5.5 million, and can go up to 6.3 million in the year 2017. Consequently, the national government has been spending only 1% of its total budget for housing – the lowest in Asia as per the Asian Development Bank.¹

As a response to this pressing need for better human settlement, this bill is proposed, which aims to consolidate, rationalize and coordinate the functions and powers of the National Home Mortgage Finance Corporation (NHMFC), Home Guaranty Corporation (HGC), Home Development Mutual Fund (HDMF), National Housing Authority (NHA), and Housing and Land Use Regulatory Board (HLURB).

The Department of Human Settlement and Urban Development shall be the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing and urban

¹ <http://www.abs-cbnnews.com/business/07/23/14/real-estate-group-calls-passage-housing-related-bills>

development concerns, primary focusing on the access to and affordability of the basic human needs.

The term 'human settlement' is used to be in conformity to the United Nations Human Settlement Program which promotes socially and environmentally sustainable human settlements development and the achievement of adequate shelter for all.²

Hence, the early passage of this bill is earnestly sought.



JOSEPH VICTOR G. EJERCITO
Senator

² http://www.un-ngls.org/spip.php?page=article_s&id_article=819

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URBAN DEVELOPMENT, DEFINING ITS MANDATES, POWERS AND
FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

3 **CHAPTER I**

4 **TITLE, VISION AND POLICIES**

5 **SEC 1. Title.** – This act shall be known as the “*Department of Human*
6 *Settlement and Urban Development Act of 2015*”.

7 **SEC 2. Declaration of Policies-** The state shall, by law and for the common
8 good’ undertake, in cooperation with the private, a continuing program of
9 housing and urban development which shall make available at affordable cost,
10 decent housing and basic services to under-privileged and homeless citizens in
11 urban centers and resettlement areas. It shall also promote adequate
12 employment opportunities to such citizens. In the implementation of such
13 program, the state shall respect the rights of small property owners.

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

22 Poor dwellers in urban or rural areas shall not be evicted nor their
23 dwelling demolished. Except in accordance with law.

24
25 **CHAPTER II**

26 **DEFINITION OF TERMS**

27 **Sec. 3. Definition of Terms-** As used in this Act, the following terms shall
28 mean:

29 a) **Attachment** refers to lateral relationship between a department and the
30 attached agency or corporation for purposes of policy and program
31 coordination and as further defined in the Administrative Code.

- 1 b) **Housing** refers to the system and its components which establishes the
2 residential quality of life, including housing, utilities, access to social
3 services and other community facilities, security and other aspects
4 related to an individual's residence.
- 5 c) **Informal Settler Families (ISFs)** refer to household living in:
6 1) Lot without consent of the property owner;
7 2) Dangerous areas;
8 3) Areas for government infrastructure projects;
9 4) Protected/forest areas (except for indigenous people);
10 5) Areas for Priority Development (APDs, if applicable); and
11 6) Other government/public land or facilities not intended for habitation.
- 12 d) **Urban Development** refers to the process of occupation and use of land
13 or space for such activities as residential, industrial, commercial and the
14 like or their combinations, necessary to carry out the functions of urban
15 living. It entails the building or rebuilding of more or less permanent
16 structures over land that is often withdrawn or converted from its
17 original use, resulting in the creation of a built environment.
- 18 e) **Human Settlement** - comprise of (a) physical components of shelter and
19 infrastructure; and (b) services to which the physical elements provide
20 support, such as community services which includes education, health,
21 culture, welfare, recreation and nutrition
22

23 CHAPTER III

24 DEPARTMENT OF HOUSING, PLANNING AND URBAN DEVELOPMENT

25 **Sec. 4. Creation and Mandates of the Department of Housing, planning**
26 **and Urban Development-** there is hereby created the Department of the
27 Human Settlement and Urban Development, hereinafter referred to as the
28 Department, through the consolidation of the Housing and Development
29 Coordinating Council (HUDCC) and the Housing and Land Use Regulatory
30 Board (HLURB). The Department shall act as primary national government
31 entity responsible for the management of housing, human settlement and
32 urban development. It shall be the sole and main planning and policy-making
33 regulatory, program coordination, and performance monitoring entity for all
34 housing, human settlement and urban development concerns, primary
35 focusing on the access to and affordability of the basic human needs.

36 **Sec. 5. Power and Function-** the Department shall perform the following:

- 37 a) Formulate the national and urban development and housing policy and
38 strategy that ensures consistency with the Philippine Development plan
39 to promote social and economic welfare, in coordination and consultation
40 with the stakeholders, local government unit (LGUs) and other
41 government agencies;
- 42 b) Exercise initiative and assume a lead role in coordinating, supervising,
43 and integrating all government activities relative to the human settlement
44 and urban development;
- 45 c) Formulate housing finance policies to promote the establishment of self-
46 sustaining, private sector-led housing financing system;
- 47 d) Develop and maintain housing database that shall include a shelter and
48 urban development management information system;
- 49 e) Manage and oversee the fast-tracked development of proclaimed housing
50 sites, including the use of these land assets as resource mobilization
51 strategy to raise alternative funds in developing new town housing

- 1 projects which will serves as central relocation sites for the affected
2 informal settlers;
- 3 f) Develop effective and efficient financing programs for housing
4 beneficiaries and developers;
- 5 g) Ensure the Department's participation in sustainable development,
6 climate change adaption, and disaster risk reduction;
- 7 h) Enter into contracts, joint venture agreements or understanding, either
8 domestic or foreign, under such terms and conditions as the Department
9 may deem proper and reasonable and the subject to existing laws;
- 10 i) Discharge all responsibilities of government that may arise from treaties,
11 agreements and other commitments on human settlement and urban
12 development to be extended through bilateral or multilateral loans
13 and/or assistance programs;
- 14 j) Receive, take and hold by bequest, device, gift, purchase or lease, either
15 absolutely or in trust for any of its purposes from foreign and domestic
16 sources, any asset, grant or property, real or personal, subject to such
17 limitations as are provided under existing laws and regulations;
- 18 k) Exercise oversight function, coordinate, monitor and evaluate the policies
19 and programs of all its attached agencies;
- 20 l) Conduct continuing and comprehensive studies and research necessary
21 for housing and urban development;
- 22 m) Provide assistance to build the capacity of LGUs in urban development
23 and management to strengthen the role of provinces, cities and
24 municipalities as the primary entries for the urban development, renewal
25 planning and management;
- 26 n) Monitor local and government compliance with housing and urban
27 development laws, standards and guidelines, as well with their judicious
28 and fair application of local housing and urban development ordinances;
- 29 o) Support local government partnerships with communities, civil society
30 organizations, non-government organizations, and private groups in the
31 implementation of urban development and renewal projects.
- 32 p) Develop and establish a sector performance monitoring and assessment
33 mechanism and monitor and independently report on the performance of
34 national government agencies and LGUs in the human settlement and
35 urban development sector to enable continuing improvements in sector
36 policy and strategy formulation;
- 37 q) Lead in the deposition of lands intended for housing and owned by the
38 Government or any of its subdivisions, instrumentalities, agencies or
39 government-owned or -controlled corporations (GOCCs) such as but not
40 limited to military reservations, lands reserved for government offices,
41 facilities and other installations, and other land assets including friar
42 lands which have not been used for the purposes for which have not
43 been used for the purposes for which they have been reserved or set
44 aside for the past ten (10) years from the effectivity of Republic Act No.
45 7279, otherwise known as the Urban Development and Housing Act of
46 1992.
- 47 r) Declare an area as Urban Development/ Renewal site including the
48 development and implementation of sub-projects jointly with the
49 concerned LGUs under a Public-Private Partnership (PPP) arrangement;
- 50 s) Advocate and assist the LGUs in the establishment of Special Housing
51 Fund (SHF) to be sourced from the proceeds of Real Property Tax (RPT)
52 pegged at one per centum (15) of the assessed value of real property
53 which will be exclusively used for the housing and urban development
54 and renewal projects of the LGUs.
- 55 t) Take the lead in the conduct of Pre- and Post- Proclamation activities as
56 orchestrator and facilitator of the entire disposition process, including

1 the stewardship of the Local Inter- Agency Communities (LIACs) which
2 are the primary tasked to oversee the implementation of housing
3 proclamation projects;

4 u) Effect and oversee a single regulatory system that shall govern all
5 activities relative to the planning, production, marketing, and
6 management of housing and urban development projects;

7 v) Take over unfinished, incomplete or abandoned licensed real estate
8 development projects under Presidential Decree No. 957;

9 w) Encourage the private sector to address and serve a large part of the
10 country's housing needs;

11 x) Promote, accredit and regulate the use of indigenous material and
12 technologies in the housing construction;

13 y) Implement prototype projects, including the power of eminent domain, in
14 housing and urban development undertakings;

15 z) Determine, fix and collect reasonable amounts to be charged as fees and
16 charges necessary for the effective implementation of all laws, rules and
17 regulations enforced by the Department and impose reasonable fines and
18 penalties for violation thereof;

19 aa) Register, regulate and provide community development programs for
20 Homeowners Association (HOAs) and Condominium Units Owners
21 Associations/Corporations (CUOA/Cs);

22 bb) Formulate and ensure the implementation of housing policies and
23 programs for urban poor communities and informal settler families (ISFs) that
24 will promote the social and economic welfare of homeless families, particularly
25 the poor and unprivileged;

26 cc) Initiate and encourage deeper and active involvement and participation of a
27 broader spectrum of citizenry through housing cooperatives and civil society
28 organizations which shall be used as an avenue through which housing needs
29 are assessed and recognized and, together with the local government units,
30 serve as the implementing agencies for housing and urban development
31 programs; and,

32 dd) Perform such other related functions as may be mandated by law.

33 **Sec.6. Composition-** The Department shall be composed of the Office of the
34 Secretary, its immediate staff, the Offices of the Undersecretaries and
35 Assistant Secretaries with respect to their areas of responsibilities and their
36 respective staff, and the Offices directly supporting the Office of the Secretary.

37 **Sec.7. The Secretary-** The Secretary shall:

38 a) Advise the president of the promulgation of rules, regulations and other
39 issuances relative to matters under the jurisdiction of the Department;

40 b) Establish policies and standards for the efficient and effective operations
41 of the Department in accordance with programs of the government;

42 c) Promulgate rules, regulations and other issuances necessary in carrying
43 out the Department's mandate, objectives, policies, plans, programs and
44 projects;

45 d) Exercise control and supervision over all personnel and functions of the
46 Department;

47 e) Delegate authority for the performance of any administrative or
48 substantive function to the subordinate officials of the Department;

1 f) Call on other agencies and instrumentalities of the government and
2 private entities for cooperation and assistance in the performance of its
3 functions; and

4 g) Perform such other function as may be provided by law or assigned by
5 the President.

6 The secretary shall also serve as voting, member of the National;
7 Economic and Development Authority (NEDA) Board and the governing Boards
8 of the Social Security System (SSS), the Government Service Insurances
9 System (GSIS), the Climate Change System (CCC), the National Risk Reduction
10 Management and Council (NDRMMC), and the Philippine Reclamation
11 Authority (PRA). The Secretary shall be a member of NEDA's Committee on the
12 Infrastructure (INFRACOM). Investment Coordinating Committee (ICC) and
13 Social Development Committee (SDC). The Secretary shall also be a member of
14 the body authorized to formulate, prescribe, or amend guidelines under R.A.
15 No. 6957 as amended, otherwise known as the Build-Operate-Transfer (BOT)
16 Law.

17 **Sec. 8. The Undersecretaries-** Taking into account the requirements of the
18 Department an subject to the approval of the President, the Secretary shall be
19 assisted by:

20 a) One (1) Undersecretary for the Bureau of Policies, Coordination,
21 Monitoring, Evaluation and Programs;

22 b) One (1) Undersecretary for the Bureau of Environmental, Land Use and
23 Urban Planning and Development;

24 c) One (1) Undersecretary for the Bureau of Regulation of Housing and Real
25 Estate Development; and

26 d) One (1) Undersecretary for the Bureau of Homeowners, Homeowners
27 Associations and Community Development.

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

32 **Sec. 9. Qualifications and Appointment-** The Secretary and Undersecretaries
33 shall be citizens and residents of the Philippines, of good moral character, and
34 of proven competence and integrity. They shall appointed by the President. The
35 Undersecretaries shall be career officers.

36 **Sec. 10. Department Bureaus and Regional Offices-** The Department shall
37 establish, operate, and maintain Bureaus under it such as but not limited to:

38 a) Environmental, Land Use and Urban Planning and Development;

39 b) Community Development

40 c) Plans, Policies, Programs and Monitoring Group; and

41 d) Legal and Support and Services Group.

42 There shall be regional Offices in all the country's administrative regions. Each
43 Regional Office shall be headed by a Regional Director.

44 In addition to the existing functions of the HUDCC and HLURB, the Regional
45 Office shall forms such other functions as may be delegated by the Secretary.

1 **Sec. 11. Staffing Pattern-** The development of the staffing pattern shall be
2 based on assessment of the personnel requirements of the entire Department
3 ad recommended by the Secretary and as approved by the Department of
4 Budget and Management (DBM). The remuneration structure if the positions in
5 the staffing pattern shall strictly conform to the Salary of the Standard Law as
6 amended.

7

8

CHAPTER IV

9

HUMAN SETTLEMENTS ADJUCATORY COMMISSION

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

15 **Sec. 13. Transfer of Adjudicatory Function of the HLURB to the SHAC-**
16 The adjudicatory function of the HLURB is hereby transferred to the HASC.

17 **Sec. 14. Composition and Qualifications of Members-** The HSAC shall be
18 composed of the Secretary of nine (9) full-time Commissioners; provided, That
19 the term of incumbent Commissioners shall be respected; provided, further,
20 that the subsequent appointees of the President shall be members of the
21 Philippine Bar of which, three (3) Commissioners shall have experience in
22 urban development planning, sustainable development. Climate change
23 adaptation, and disaster risk reduction; three {3} shall be nominees of the
24 urban poor and homeowners associations; and three [3] shall come from the
25 private sector; provided finally, that each Division that shall be composed of
26 three [3] members shall have one [1] member representing the urban poor
27 communities or the homeowners associations.

28 The Commissioners must have been engaged in the practice of the law
29 for the period of at least [5] years.

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

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

34 **Sec.15. Collegiality, Divisions, and Sessions** –The HSAC shall exercise its
35 adjudicatory and all other powers, functions, and duties through its Divisions.
36 The Divisions of the HASC shall have exclusive appellate jurisdiction over cases
37 decided by its Arbitrers.

38 The HASC sitting en banc, presided over by the Secretary, shall sit en
39 banc only for the purposes of promulgating rules and regulations governing the
40 hearing and disposition of cases before any of its Divisions' and its Arbitrers in
41 its Regional offices, and in formulating policies effecting its administration and
42 operations.

43 **Sec. 16. Decisions and Resolutions** – the concurrence of two [2]
44 Commissioners of a division shall be necessary for the pronouncement of a
45 judgment resolution. Whenever the required membership in a Division is not
46 complete and the concurrence of two [2] Commissioners to arrive at a judgment
47 or resolution cannot be obtained, the most senior Commissioners' shall

1 designate into the division such number of additional Commissioners from the
2 other divisions as may be necessary.

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

9 **Sec. 17. Precedence and Supervision** – The most senior Commissioner shall
10 be the Presiding Commissioner of the first Division and the two (2) next senior
11 Members shall be the Presiding Commissioners of the second and third
12 Divisions, respectively.

13 The HSAC sitting en bane may designate any Commissioner who shall
14 have administrative supervision over the HSAC and its Regional branches and
15 all their personnel, including the Arbiters.

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

18 **SEC. 18. Compensation** – A Commissioner shall receive an annual salary at
19 least equivalent to an Undersecretary.

20 The incumbent full time Commissioners of the present HLURB shall
21 remain in office unless they opt to avail of the retirement and separation
22 benefits as provided for in Sec. 34 of its Act or are sooner removed for cause.

23 **Sec. 19. Jurisdiction** – In addition to the existing jurisdiction of HLURB, the
24 Arbiters shall exercise exclusive jurisdiction to hear and decide cases involving
25 the following:

26 a) Exclusive original jurisdiction on the following cases involving real estate
27 properties, subdivisions, and condominiums:

- 28 1) Squatting on subdivision lots and condominium units;
- 29 2) Eviction and relocation of squatter communities in subdivisions and
30 condominiums;
- 31 3) Disputes involving buyer financing agreements with any financing
32 institution for condominium or subdivision projects;
- 33 4) Easements of right of way in subdivisions;
- 34 5) Disputes involving condominium corporations;
- 35 6) Disputes between landowners and developers, and between banks/
36 financing institutions and developers whenever the interest of buyers in
37 involved; and,
- 38 7) Disputes involving the enforcement of CLUPs.

39 b) Housing Rights. Exclusive original jurisdiction over violations of
40 administrative rules and regulations implementing Sections 7, 8, 18 and 28 of
41 R.A. No. 7279.

42 The secretary may assume jurisdiction over any complaint or case and decide
43 the same or certify such case for decision to the HSAC, when authorized by
44 both Houses of Congress through a resolution, if the controversy involves

1 massive fraud or unsound business practices of critical socio-economic or
2 environmental considerations that may have serious potential impact on the
3 interest of the sector or the general welfare.

4 **Sec. 20. Powers and Authorities of the HSAC** – in addition to the
5 adjudicatory powers given to HLURB, the HSAC shall exercise the following:

6 a) To issue writs, and orders prohibiting demolitions, seizures or closures of
7 property including temporary writs or orders restraining demolitions, seizures
8 or closures of property;

9 b) To issue writs and orders to execute demolitions or seizures or property
10 in accordance with its decision or judgment.

11 c) To impose administrative fines and/or penalties for violation of R.A. No.
12 7279, as amended, and other laws implemented by the HSAC, including
13 pertinent rules and regulations, orders, decisions and/or rulings: Provided,
14 That the HSAC may adjust such fines not more than once every three (3) years;
15 and,

16 d) To exercise powers granted to the HSAC or to achieve the objectives and
17 purposes of this Act, and other laws implemented by the HSAC.

18 **Sec. 21 Criminal Prosecution** – The criminal prosecution for violation of
19 housing laws and regulations shall be instituted before criminal Courts having
20 appropriate jurisdiction.

21 **Sec. 22. The Arbiters – Qualifications and Appointment.** The existing
22 HLURB Arbiters shall be deemed qualified. Additional Arbiters should be a
23 member of the Philippine Bar for at least three (3) years, with at least two (2)
24 years of experience or exposure in the field of real and land use development
25 cases.

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

29 The HSAC en banc shall have the power to assign the Arbiters to the
30 Regional Officers.

31 **Sec. 23. The Sheriff** - The HSAC shall appoint a Sheriff or such member of
32 Sheriffs in its Central and Regional branches. The person to be appointed to
33 the position of sheriff should be a second grade Civil Service eligible and has
34 finished at least two (2) years of college. The Sheriff shall be responsible for the
35 service and execution of all writs, summonses, and orders and other processes
36 of the HSAC.

37 **Sec. 24. Appeals** – Decisions, awards, or orders of the Arbiters shall be final
38 and executor unless appealed to the HSAC within fifteen (15) calendar days
39 from receipt of such decisions, awards, or orders. The appeal may be
40 entertained only on any of the following grounds:

41 a) If there is primary face evidence of abuse of discretion on the part of the
42 Arbiters in rendering the questioned decision, award, or order;

43 b) If the decision, order, or award was secured through fraud or coercion,
44 including graft and corruption;

45 c) If the appeal is made purely on questions of law; and

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

3 Decision of HSAC can be appealed to the Court of Appeals by way of a Petition
4 for Review within fifteen (15) calendar days from notice of judgment, award, or
5 order sought to be appealed, pursuant to rule 43 of the Rules of Court.

6 **Sec. 25. Prohibition against Restraining Order of Injunction** – No lower
7 Court of the Philippines shall have jurisdiction to issue any restraining order or
8 writ of preliminary injunction or permanent injunction-against HSAC or its
9 Arbiters in any application, implementation, enforcement, or interpretation of
10 the Act and other pertinent laws on housing and on just and humane eviction
11 or demolition procedures.

12 **Sec. 26. Pending Cases** – All cases pending in regular Courts arising from in
13 connection with the implementation of pertinent laws on housing and on just
14 and humane eviction and demolition procedures, shall continue to e heard,
15 tried and decided to their finality by such Courts.

16

17

CHAPTER V

18

ATTACHED AGENCIES

19 **Sec. 27. Attached Agencies and Corporations** – The following agencies and
20 corporations are hereby attached to the Department for policy and program
21 coordination monitoring and evaluation:

- 22 a) National housing Authority (NHA)
23 b) Home Guaranty Corporation (HCG)
24 c) National Home Mortgage Finance Corporation (NHMFC)
25 d) Home Development Mutual Fund (HDMF)
26 e) Social Housing Finance Corporation (SHFC)
27 f) Human Settlement Adjudicatory Commission (HSAC)

28 All these agencies shall continue to function according to existing laws and
29 their respective Characters. However, each of the heads of the attached
30 agencies shall enter into a performance contract annually with the secretary.
31 Such contracts shall embody the national targets on housing and urban
32 development and shall include the over-all administration of the agency and
33 the streaming of personnel for effective and efficient service.

34 The reorganization, merger, streamlining, abolition or privatization of any
35 attached GOCCs shall be in consultation with the department and the GOCC
36 concerned.

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

40 **Sec 28. Nature of Attachment-** The Secretary shall be elected as Chairperson
41 of the governing Boards of the NHA, HDMF, NHMFC, SHFC, abd HGC.

42

1 **CHAPTER VI**

2 **OTHER PROVISIONS**

3 **Sec 29. Social Housing One- Stop Processing Centers (SHOPCs)** - The
4 Department shall establish SHOPCs in the regions, which shall centralize the
5 processing and issuance of all required housing-related permits, clearances,
6 and licenses in accordance with Executive Order No. 45, series of 2001 entitled
7 "Prescribing time periods for issuance of housing related certifications,
8 clearances and permits, and imposing sanctions for failure to observe the
9 same" Provided, That for the foregoing purpose, the respective ceilings fro
10 socialized, low cost/ economic and middle- income housing shall be jointly
11 determined by the Department and the NEDA: Provided further, That at any
12 time, but not more that once every two (2) years, such ceilings may be reviewed
13 or revised to conform to prevailing economic conditions. All agencies involved in
14 the issuance of said permits, clearances and licenses shall be represented in
15 the SHOPC and shall assign to SHOPC regional centers personnel who shall be
16 sufficiently authorized to process and issue the same.

17 **Sec 30. Identification and Designation of Lands for Housing and Urban**
18 **and Rural Development-** For the purpose of designating lands for housing
19 and urban and rural development, the Department, the DENR, the DAR and
20 the DA shall, within one hundred eighty (180) days from effectivity of this Act,
21 jointly identify agricultural lands which under R.A No. 6657, otherwise known
22 as the Comprehensive Agrarian Reform Law and other existing rules and
23 regulations are already exempted from conversion requirements; Provided, that
24 the list shall exclude lands that are declared as non- negotiable or protected
25 from conversion under existing laws and issuances and those lands covered
26 under R.A. No. 6657; Provided further, That the designation of lands for
27 Housing and Urban and Rural Development purposes shall neither prejudice
28 the rights of qualified beneficiaries under R.A No. 6657, nor undermine the
29 protected agricultural areas intended to ensure the attainment of food security
30 under R.A No. 8435, otherwise known as the Agriculture and Fisheries
31 Modernization Act of 1997 (AFMA) and other existing laws; Provided, further
32 that in the case of lands exempted from conversion though these have been
33 approved by the DAR, if these are contested by the affected individual or
34 community beneficiaries, it shall not be allowed to proceed with by horizontal
35 or vertical development without need for any prior clearance or approval from
36 the DAR or the DA consistent with the terms of approved order or conversion:
37 Provided, finally, that all idle government lands in highly urbanized cities are
38 hereby prioritized for housing and urban development purposes.

39
40 **CHAPTER VII**

41 **TRANSITORY PROVISIONS**

42 **Sec 31. Absorption of Employee of the Consolidated Agencies-** The existing
43 civil servants of HUDCC and HLURB shall enjoy security of tenure and shall be
44 absorbed by the Department in accordance with their staffing patterns and the
45 selection process as prescribed under R.A. No. 6656 on the Rules on
46 Government reorganization, unless the civil servant wants to avail of Section
47 34 hereof.

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

1 a) The assets, equipment funds, records, and pertinent transactions of
2 HUDCC and HLURB shall be transferred to the Department and the HSAC;
3 and;

4 b) The Department and the HSAC shall cause the creation of additional
5 positions and augment their budget appropriations may be needed.

6 **Sec 33. Transition Period-** All transfer of functions, assets, funds, personnel,
7 equipment, properties, transactions, and personnel in the affected national
8 government agencies and the formulation and implementation of the internal
9 organic structures, staffing patterns, operations systems, and revised budgets
10 of the Department and the Department and the HSAC, shall be completed
11 within six (6) months from the effectivity of this Acct, during which existing
12 personnel shall continue to assume their posts in holdover capacities until new
13 appointments are issued.

14 **Sec 34. Separation from the Service-** Employees separated and/ or phased
15 out from the service as a result of the consolidation and/or reorganization
16 under the provisions of this Act shall within one (1) month from their
17 separation and/or phase out from the service, receive separation benefits in
18 accordance with existing laws. In addition, those who are qualified to retire
19 shall be allowed to retire and be entitled to all benefits provided, under any of
20 the existing retirement's laws.

21 **Sec 35. Transfer of functions.-** The following functions are hereby transferred
22 as stipulated hereunder.

23 a) The regulatory function of the HLURB, including the formulation,
24 promulgation, and enforcement of rules, standards and guidelines are hereby
25 transferred to the Department.

26 b) The HLURB's monitoring function, including the imposition of penalties
27 for non-compliance to ensure that LGUs will follow the planning guidelines and
28 implement their CLUPs/ZOs shall likewise be transferred to the Department;
29 and

30 c) The registration of incorporation of homeowners associations and
31 condominium corporations of the HLURB are hereby transferred to the
32 Department.

33 **Sec 36. Transfer of Rights and Asset-** The Department shall by virtue of this
34 Act, be subrogated to all rights and assume all the liabilities of the HUDCC and
35 all other agencies of the government whose functions and powers have been
36 transferred to it, and all their pertinent funds, records, property, assets,
37 equipment and such personnel, as may be necessary, including unexpended
38 portions of their appropriations, except the assets, pertinent funds, records
39 property, assets, equipment and personnel of the HLURB.

40 **Sec 37. Formulation of Implementing Rules and Regulations-** The
41 Secretary shall prepare and issue the implementing rules and regulations (IRR)
42 of the Department within sixty (60) days upon the effectivity of this Act.

43

44

CHAPTER VIII

45

IMPLEMENTING AUTHORITY AND FUNDING

46 **Sec 38. Implementing Authority-** The Secretary is hereby authorized to
47 undertake the implementation of the provisions of this ACT and implement the

1 necessary organizational changes within the specified six (6) month transition
2 period.

3 **Sec 39. Funding-** The amount necessary for the initial implementation of the
4 provisions of this Act shall be charged against the current years appropriations
5 of the HUDCC and HLURB. Thereafter, such sums as may be necessary for the
6 continued implementation of this Act shall be included in the annual General
7 Appropriations Act.

8

9

CHAPTER IX

10

MISCELLANEOUS PROVISIONS

11 **Sec 40. Mandatory Review of the Implementation of this Act-** The
12 Department shall conduct and submit a report to Congress a review of the
13 implementation of this Act at the end of the second year from the date of its
14 effectivity.

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

19 **Sec 42. Separability Clause-** If, for any reasons, any portion or provisions of
20 this Act shall be held unconstitutional or invalid, the remaining provisions not
21 affected thereby shall continue to be in full force and effect.

22 **Sec 43. Effectivity-** This Act shall take effect fifteen (15) days after its
23 complete publication in at least two (2) national newspapers of general
24 circulation.

25

26 *Approved.*

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