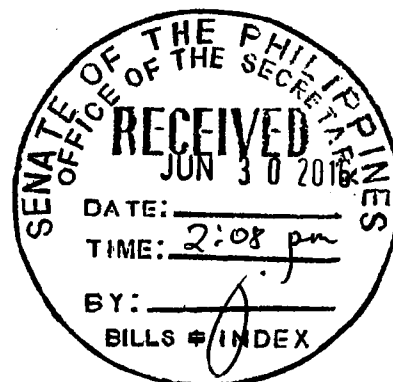


SEVENTEENTH CONGRESS
REPUBLIC OF THE PHILIPPINES
First Regular Session

)
)
)
SENATE
S.B. No. 37



Introduced by SENATOR LOREN LEGARDA

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

Explanatory Note

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

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

The country needs a more integrated approach in addressing housing needs and its related issues. Local government units need to be capacitated in ways that they can effectively respond to the growing housing needs. Urbanization and its numerous opportunities and challenges need to be addressed with greater efficiencies and stronger cooperation among agencies of the government.

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

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


LOREN LEGARDA
Senator

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

SENATE
S.B. No. 37



Introduced by Senator LOREN LEGARDA

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

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

1 **SEC. 1. Title.** – This Act shall be known as the “Department of Housing and Urban
2 Development Act.”
3

4 **SEC. 2. Declaration of Policies.** – The State shall undertake, in cooperation with
5 the private sector, a continuing program of urban development and housing which
6 will make available at affordable cost, decent housing and related basic services. In
7 the implementation of such program, the State shall respect the rights of small
8 property owners.
9

10 The State shall pursue the realization of a modern, humane, economically viable
11 and environmentally sustainable society where the urbanization process is manifest
12 in towns and cities being centers of productive economic activity, through
13 partnerships with multi-stakeholders; where urban areas have affordable housing,
14 sustainable physical and social infrastructure and services facilitated under a
15 democratic and decentralized system of governance; and where urban areas provide
16 the opportunities for an improved quality of life and the eradication of poverty.
17

18 Urban or rural poor dwellers shall not be evicted nor their dwelling demolished,
19 except in accordance with law.
20

21 **CHAPTER II**
22 **DEFINITION OF TERMS**
23

24 **SEC. 3. Definitions.** – As used in this Act, the following terms shall mean:
25

26 **3.1. Attachment.** – refers to the relationship between the department and the
27 attached agency or corporation for purposes of policy and program coordination and
28 as further defined under the Administrative Code of 1987.
29

30 **3.2. Housing.** – refers to the system and its components which establish the
31 residential quality of life, including housing, utilities, access to social services and
32 community facilities, security, transportation facilities, employment, and other
33 aspects related to an individual’s residence and well-being.
34

1 **3.3. Informal Settler Families (ISFs)** - refers to household/s living in: (a) a lot or
2 lots without the consent of the property owner; (b) danger areas; (c) areas for
3 government infrastructure projects; (d) protected/forest areas (except for indigenous
4 people); (e) Areas for Priority Development (APDs), if applicable; and/or (f) other
5 government/public lands or facilities not intended for habitation.
6

7 **3.4. Urban Development.** – pertains to the process of occupation and use of land or
8 space for such activities as residential, industrial, commercial and the like or their
9 combinations, necessary to carry out the functions of urban living. It entails the
10 building or rebuilding of more or less permanent structures over land that is often
11 withdrawn or converted from its original use, resulting in the creation of a built
12 environment.
13

14 **CHAPTER III**
15 **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**
16

17 **SEC. 4. Creation and Mandate of the Department of Housing and Urban**
18 **Development.** – There is hereby created the Department of Housing and Urban
19 Development (DHUD), hereinafter referred to as the Department, by consolidating
20 the functions of the Housing and Urban Development Coordinating Council
21 (HUDCC) and the planning and regulatory functions of the Housing and Land Use
22 Regulatory Board (HLURB), which shall act as the primary national government
23 entity responsible for the management of housing and urban development. It shall
24 be the sole and main planning and policy-making, regulatory, program
25 coordination, and performance monitoring entity for all housing and urban
26 development concerns, primarily focusing on the access to and affordability of
27 housing and related basic services vital to human needs.
28

29 **SEC. 5. Powers and Functions.** – The planning and regulatory function of the
30 Housing and Land Use Regulatory Board (HLURB) is hereby transferred to the
31 Department.
32

33 In addition thereto, the Department shall perform the following:
34

35 5.1. Formulate a national urban development and housing policy and strategy, in
36 coordination and in consultation with national and local stakeholders, toward
37 ensuring consistency with the Philippine Development Plan (PDP) and the
38 National Physical Framework Plan (NPPF) to promote social and economic welfare;
39

40 5.2. Ensure comprehensive and well-coordinated planning by the national
41 government and local government units toward ensuring well-coordinated
42 national and local urban and community development programs and activities;
43

44 5.3. Exercise lead role in coordinating, supervising and ensuring harmonization
45 and complementation between and among all government programs and activities
46 relative to housing and urban development;
47

48 5.4. Coordinate with relevant agencies of the government and local government
49 units with respect to the implementation of programs and services that have a
50 major impact on housing and urban development;
51

52 5.5. Formulate effective and efficient housing finance policies and programs, in
53 coordination with the Bangko Sentral ng Pilipinas, toward the establishment of a
54 self-sustaining, private sector-led housing finance system that will ensure
55 housing finance accessibility and affordability among those in great need;
56

57 5.6. Manage and oversee the development of proclaimed housing sites, including the
58 use of land assets as resource mobilization strategy to raise alternative funds in

1 developing new housing projects which will serve as central relocation sites for the
2 affected informal settlers, while at the same time ensuring that these housing
3 projects shall have access to jobs, transportation systems, basic services, and
4 affordable sustainable sources of energy to meet the community's power needs;
5

6 5.7. Exercise oversight function, coordinate, monitor and evaluate the policies and
7 programs of all attached agencies as provided for in Sec. 27 of this Act;
8

9 5.8. Conduct comprehensive studies and researches on housing and urban
10 development, and its related issues, and to submit recommendations to the
11 President relative thereto, including on matters related to the administration of
12 national programs affecting such issues;
13

14 5.9. Minimize the paperwork burden among homeowners and home buyers, and
15 those covered by the government's housing programs by eliminating unnecessary
16 and duplicative information requirements;
17

18 5.10. Build and maintain a Housing database that will contain a housing project
19 inventory, both at the national and local levels, the status of these projects, and
20 their key features. The database will also contain relevant information required by
21 the various housing agencies as part of efforts to minimize paperwork burden;
22

23 5.11. Utilize income generated from fees, fines, charges, and other collections in the
24 performance of its functions and to defray operating expenses;
25

26 5.12. Enter into contracts, joint venture agreements, public-private partnerships,
27 and such other agreements, either domestic or foreign, under such terms and
28 conditions as it may deem proper and reasonable subject to existing laws;
29

30 5.13. Discharge all responsibilities of government as may arise from treaties,
31 agreements and other commitments on housing, land use and urban development
32 to which it is a signatory, including the determination of forms of assistance for
33 housing, land use and urban development to be extended through bilateral or
34 multilateral loans and/or development assistance programs, subject to existing laws
35 and regulations;
36

37 5.14. Receive, take and hold by bequest, device, gift, purchase or lease, either
38 absolutely or in trust for any of its purposes from foreign and domestic sources, any
39 asset, grant or property, real or personal, subject to such limitations provided under
40 existing laws and regulations;
41

42 5.15. Provide assistance to local government units toward building their
43 capacities in housing and urban development and management and to strengthen
44 the role of provinces, cities and municipalities as the primary entities for urban
45 development/renewal planning and management;
46

47 5.16. Promulgate zoning and other land use control standards and guidelines
48 which shall govern land use plans and zoning ordinances of local governments,
49 subdivision or estate development projects, subject to the provisions of law;
50

51 5.17. Monitor local government compliance with housing and urban development
52 laws, standards and guidelines and Republic Act No. 9485, otherwise known as the
53 Anti-Red Tape Act of 2007 with respect to housing and urban development projects,
54 as well as their judicious and fair application of local housing and urban
55 development ordinances;
56

- 1 5.18. Encourage and support local government partnerships with communities,
2 civil society organizations, non-government organizations, and private groups in
3 the implementation of urban development/renewal projects;
4
- 5 5.19. Develop and establish a sector performance monitoring and assessment
6 mechanism, and monitor the performance of national government agencies, local
7 government units, as well as other entities involved in housing and urban
8 development;
9
- 10 5.20. Lead in the disposition of government-owned lands, including those owned by
11 government-owned and controlled corporations and those which have not been used
12 for the purpose for which they have been reserved or set aside for the past ten (10)
13 years from the effectivity of Republic Act No. 7279, otherwise known as the Urban
14 Development and Housing Act of 1992, provided that these lands for disposition, as
15 approved by the President or by the local government unit concerned, will be
16 intended for socialized housing.
17
- 18 5.21. Ensure that in leading or coordinating the development of social housing and
19 resettlement areas for the homeless and underprivileged, the availability of basic
20 services and facilities, their accessibility and proximity to job sites and other
21 economic opportunities shall not be compromised.
22
- 23 5.22. Declare areas as Urban Development/Renewal site(s) and develop and
24 implement sub-projects related thereto, jointly with the concerned local government
25 units under a Public Private Partnership (PPP) arrangement;
26
- 27 5.23. Assist local government units (LGUs) in the establishment of Special Housing
28 Fund (SHF) to be sourced from the proceeds of Real Property Tax (RPT) as provided
29 for under Section 43 of Republic Act No. 7279 pegged at one half percent (.5%) of
30 the assessed value of real property which will be exclusively used for the
31 identification of sites for socialized housing and low-cost housing, data gathering,
32 inventory of lands; and mobilization and implementation of socialized and low-cost
33 housing programs of the LGUs.
34
- 35 5.24. Take the lead in the conduct of Pre- and Post-Proclamation activities as
36 orchestrator and facilitator of the entire disposition process including the
37 stewardship of the Local Inter-Agency Committees (LIACs) which are primarily
38 tasked to oversee the implementation of housing proclamation projects;
39
- 40 5.25. Effect and oversee a single regulatory system that shall govern all activities
41 relative to the planning, production, marketing, and management of housing and
42 urban development projects;
43
- 44 5.26. Take over unfinished, incomplete or abandoned licensed real estate
45 development projects under Presidential Decree No. 957;
46
- 47 5.27. Encourage the private sector to address and serve a large part of the
48 country's housing needs;
49
- 50 5.28. Promote and accredit the use of indigenous materials and technologies in
51 housing construction and housing solutions, including those that address water
52 and power needs, as well as sanitation;
53
- 54 5.29. Implement prototype projects in housing and urban development
55 undertakings, with the right to exercise the power of eminent domain, when
56 necessary;
57

1 5.30. Determine, fix and collect reasonable amounts to be charged as fees and
2 charges necessary for the effective implementation of all laws, rules and regulations
3 enforced by the Department and impose reasonable fines and penalties for violation
4 thereof;

5
6 5.31. Register and regulate Homeowners, Homeowners Associations (HOAs) and
7 Condominium Units Owners' Association/Corporation (CUOA/Cs), and provide
8 assistance in the formulation of community development programs;

9
10 5.32. Formulate and ensure the implementation of housing policies and programs
11 for urban poor communities and informal settler families (ISFs) that will promote
12 the social and economic well-being of homeless families, particularly the poor and
13 underprivileged;

14
15 5.33. Initiate and encourage deeper and active involvement and participation of
16 civil society organizations, developers associations, urban planners and other
17 stakeholders which shall be used as a venue through which housing needs are
18 assessed and recognized and, in coordination with the local government units,
19 serve as the lead agency for housing and urban development concerns;

20
21 5.34. Assist communities in developing community and urban development
22 solutions to address their housing and housing-related needs; and,

23
24 5.35. Perform such other related functions as may be mandated by law.

25
26 **SEC. 6. Composition.** – The Department shall be composed of the Office of the
27 Secretary, his/her immediate staff, and the Offices of the Undersecretaries and their
28 respective staff, and the other Offices directly supportive of the Office of the
29 Secretary.

30
31 **SEC. 7. The Secretary.** – The Secretary shall:

32
33 7.1. Advise the President on matters related to housing and urban development;

34
35 7.2. Promulgate rules, regulations and other issuances necessary in carrying out
36 the Department's mandate, objectives, policies, plans, programs and projects;

37
38 7.3. Establish policies and standards for the efficient and effective operations of the
39 Department in accordance with the programs of the government;

40
41 7.4. Report to the President on the promulgation of rules, regulations and other
42 issuances relative to matters under the jurisdiction of the Department;

43
44 7.5. Identify housing and urban development, and community development issues,
45 which require inter-agency or inter-government coordination and solutions;

46
47 7.6. Convene meetings of heads of agencies that undertake programs or projects
48 that impact upon housing and urban development with the view to harmonizing
49 policies, plans, programs, and projects, and synchronizing related activities, as well
50 as avoiding duplication in such programs or projects;

51
52 7.7. Call on any agency or instrumentality of the government to ensure the effective
53 and efficient implementation of housing and urban development programs;

54
55 7.8. Ensure cooperation among government agencies toward the effective and
56 efficient administration of housing, urban development, and related programs and
57 services;

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

5
6 7.10. Exercise control and supervision over all personnel of the Department;

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

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

18
19 7.13. Perform such other functions as may be provided by law or assigned by the
20 President.

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

32
33 **SEC. 8. The Undersecretaries.** - The Secretary shall be assisted by

34
35 8.1. One (1) Undersecretary for Policies, Plans and Programs;

36
37 8.2. One (1) Undersecretary for Environmental, Land Use and Urban Planning and
38 Development;

39
40 8.3. One (1) Undersecretary for Regulation of Housing and Real Estate Development;
41 and,

42
43 8.4. One (1) Undersecretary for Homeowners, Homeowners Associations and
44 Community Development.

45
46 They shall have the powers and functions as provided for in Section 10, Chapter 2,
47 Book IV of the Administrative Code of 1987.

48
49 **SEC. 9. Departmental Offices and Regional Offices.** - The Department shall
50 establish, operate, and maintain Departmental Offices under them such as, but not
51 limited to: (1) Policies, Plans and Programs, Coordination, Monitoring and
52 Evaluation; (2) Environmental, Land Use and Urban Planning and Development; (3)
53 Regulation of Real Estate Development; and (4) Homeowners, Homeowners
54 Associations and Community Development.

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

1 **SEC. 10. Staffing Pattern.** - The Secretary shall cause the preparation and
2 implementation of a staffing pattern for the Department. The development of the
3 staffing pattern shall be based on an assessment of the personnel requirements of
4 the entire Department. The remuneration structure of the positions in the staffing
5 pattern shall conform to the provisions of Republic Act No. 6758, otherwise known
6 as the Salary Standardization Law, as amended. The Department of Budget and
7 Management (DBM) shall, upon its approval, fund in full the staffing pattern of the
8 Department.

9
10 **SEC. 11. Advisory Council.** - The Secretary shall have the power to establish
11 advisory councils consisting of the Secretaries and other heads from national
12 government agencies and local government units, representatives from the private
13 sector including private developers associations, urban poor communities, academe,
14 and other marginalized groups, to provide a forum for stakeholder participation and
15 dialogue on key housing and urban development policies, issues and concerns.
16 Such councils shall be convened and chaired by the Secretary of the Department of
17 Housing and Urban Development.

18
19
20 **CHAPTER IV**
21 **ADJUDICATION COMMISSION FOR HOUSING, LAND USE**
22 **AND URBAN DEVELOPMENT**
23
24

25 **SEC. 12. Reconstitution of the HLURB as the Adjudication Commission**
26 **for Housing, Land Use and Urban Development (Commission).** - The
27 HLURB is hereby reconstituted and shall henceforth be known as the Adjudication
28 Commission for Housing, Land Use and Urban Development, hereinafter referred to
29 "Commission", which shall be attached with the Department for policy, plan and
30 program coordination only.

31
32 **SEC. 13. Assumption and Exercise of Adjudication Function of the Housing**
33 **and Land Use Regulatory Board (HLURB) to the Commission.** - The
34 adjudication function of the HLURB shall be assumed and exercised by the
35 Commission.

36
37 **SEC. 14. Composition of the Commission and Qualification of Commissioners.**
38 - The Commission shall be composed of nine (9) full-time commissioners:
39 Provided, That the term of incumbent Commissioners shall be respected: Provided
40 further, That the subsequent appointees of the President shall be members of the
41 Philippine Bar of good standing and has been engaged in the practice of law for at
42 least ten (10) years with experience and/or exposure in housing and/or urban
43 development.

44
45 The Commissioners shall hold office for a period of six (6) years, unless earlier
46 removed for cause.

47
48 The Department Secretary shall be the *Ex-Officio* Chairman of the Commission.

49
50 **SEC. 15. Collegiality, Divisions, and Sessions.** - The Commission shall exercise
51 its adjudicatory and all other powers, functions, and duties through its Divisions.

52
53 The Commission, sitting *en banc*, shall be presided over by the Secretary and shall
54 decide only on the promulgation of rules and regulations governing the
55 hearing and disposition of cases before any of its Divisions and its Arbiters in
56 its Regional Offices, and on the formulation of policies affecting its
57 administration and operations.

1 **SEC. 16. Precedence and Supervision.** – The most senior Commissioner shall be
2 the presiding Commissioner of the first Division and the two (2) next most senior
3 Commissioners shall be the presiding Commissioners of the second and third
4 Divisions, respectively.
5

6 The Commission *en banc* shall have administrative supervision over the
7 Commission and its Regional Offices and all their personnel, including the
8 Arbiters.
9

10 **SEC. 17. Decisions and Resolutions.** – The concurrence of two (2) Commissioners
11 of a Division shall be necessary for the promulgation of a judgment or resolution.
12

13 Whenever the required membership in a Division is not complete and the
14 concurrence of two (2) Commissioners to arrive at a judgment or resolution cannot
15 be obtained, the Executive Commissioner shall designate into the Division such
16 number of additional Commissioners from the other Divisions, as may be
17 necessary.
18

19 The conclusions of a Division on any case submitted to it for decision shall be
20 reached in consultation before the case is assigned to a Commissioner for the
21 writing of the decision. It shall be mandatory for the Division to meet for
22 purposes of the consultation ordained herein. A certification to this effect
23 signed by the presiding Commissioner of the Division shall be issued and a copy
24 thereof attached to the record of the case and served upon the parties.
25

26 **SEC. 18. Jurisdiction of Arbiters.** – The Arbiters shall exercise exclusive
27 jurisdiction to hear and decide cases involving the following:
28

- 29 a. Claims for refund, complaints against unsound real estate business
30 practices and other actions for specific performance of contractual and
31 statutory obligations filed by subdivision lot or condominium unit buyer
32 against the project owner, developer, dealer, broker or salesman; and
33 other complaints for violation of Presidential Decree No. 957 and other
34 related laws;
- 35 b. Intra-association disputes or controversies arising out of the relations
36 between and among members of homeowners associations or
37 condominium corporations; between any or all of them and the
38 homeowners association or condominium corporation of which they are
39 members, including federations of homeowners associations;
- 40 c. Inter-association disputes or controversies arising out of the corporate
41 relations between and among two or more homeowners associations or
42 condominium corporations or federations;
- 43 d. Disputes between such homeowners association or condominium
44 corporation and the State, insofar as it concerns their individual franchise
45 or right to exist and those which are intrinsically connected with the
46 regulation of homeowners associations and condominium corporations or
47 dealing with the internal affairs of such entity;
- 48 e. Suits filed in opposition to an application for certificate of registration and
49 license to sell, development permit for condominium projects, clearance to
50 mortgage, or the revocation or cancellation thereof, and locational
51 clearances, certifications or permits, when issued by the HLURB/the
52 Department;
- 53 f. Suits filed by the project owner/developer against a buyer for the collection
54 of unpaid amortization, cancellation of contract and/or ejection.
- 55 g. Eviction of informal settlers in open spaces or common areas of
56 subdivisions and condominiums filed by the project owner or developer or
57 the duly registered homeowners association or condominium corporation
58 of the project;

- 1 h. Disputes involving buyer financing agreements with any financing
- 2 institution for the purchase of condominium units or subdivision lots;
- 3 i. Disputes involving easements within or among subdivisions projects.
- 4 j. Violations of administrative rules and regulations implementing Sections
- 5 7, 8 and 18 of Republic Act No. 7279.
- 6 k. Disputes between landowners and developers, and between
- 7 banks/financing institutions and developers whenever the interest of the
- 8 buyers is involved; and
- 9 l. Disputes involving the enforcement of comprehensive land use plans
- 10 (CLUPs) and/or their accompanying zoning ordinances.
- 11

12 **SEC. 19. Jurisdiction of the Commission and the Secretary.** – The Commission

13 shall have the exclusive appellate jurisdiction over all cases decided by the Arbiters.

14

15 The decision of the Commission shall be final and executory after fifteen (15)

16 calendar days from receipt thereof by the parties.

17

18 The Secretary may assume jurisdiction over any complaint or case and decide the

19 same or certify such case for decision to the Commission if the controversy involves

20 massive real estate fraud or unsound business practices of critical socio-economic

21 or environmental considerations that may have serious potential impact on the

22 interests of the sector or the general welfare.

23

24 **SEC. 20. Powers of the Commission.** – The Commission shall have the power and

25 authority:

26

27 20.1. To promulgate rules and regulations governing the hearing and disposition of

28 cases before it and its Arbiters, as well as those necessary to carry out its functions;

29

30 20.2. To administer oaths, summon the parties to a controversy, issue subpoenas

31 requiring the attendance and testimony of witnesses or the production of such

32 books, papers, contracts, records, statement of accounts, agreements, and others as

33 may be material to a just determination of the case;

34

35 20.3. To hold any person in contempt directly or indirectly and impose appropriate

36 penalties therefor in accordance with law.

37

38 A person guilty of misbehavior in the presence of or so near any member of the

39 Commission or any Arbiter as to obstruct or interrupt the proceedings before the

40 same, including disrespect toward said officials, offensive personalities toward

41 others, or refusal to be sworn, or to answer as a witness or to subscribe an affidavit

42 or deposition when lawfully required to do so, may be summarily adjudged in direct

43 contempt by said officials and punished by fine not exceeding Five thousand pesos

44 (P5,000.00) or imprisonment not exceeding five (5) days, or both, if it be the

45 Commission, or a member thereof, or by a fine not exceeding One thousand pesos

46 (P1,000.00) or imprisonment not exceeding one (1) day, or both, if it be an Arbiter.

47

48 The person adjudged in direct contempt by an Arbiter may appeal to the

49 Commission and the execution of the judgment shall be suspended pending the

50 resolution of the appeal upon the filing by such person of a bond on condition that

51 he/she will abide by and perform the judgment of the Commission should the

52 appeal be decided against him/her. Judgment of the Commission on direct

53 contempt is immediately executory and unappealable. Indirect contempt shall be

54 dealt with by the Commission or Arbiter in the manner prescribed under Rule 71 of

55 the Revised Rules of Court (ROC); and

56

57 20.4. To enjoin or restrain, after due notice and hearing, any actual or threatened

58 commission of any or all prohibited or unlawful acts or to require the performance

1 of a particular act in any dispute within its jurisdiction which, if not restrained or
2 performed forthwith, may cause grave or irreparable damage to any party or render
3 ineffectual any decision in favor of such party. In no case shall a temporary or
4 permanent injunction be issued except after a finding of fact by the Commission, to
5 the effect that:

- 6 a. Prohibited or unlawful acts have been threatened and will be committed
7 and will be continued unless restrained, but no injunction or temporary
8 restraining order shall be issued on account of any threat, prohibited or
9 unlawful act, except against the person or persons, association or
10 organization making the threat or committing the prohibited or unlawful
11 act or actually authorizing or ratifying the same after actual knowledge
12 thereof;
- 13 b. Substantial and irreparable injury to complainant's property will follow;
- 14 c. As to each item of relief to be granted, greater injury will be inflicted upon
15 complainant by the denial of relief than will be inflicted upon defendants
16 by the granting of relief;
- 17 d. Complainant has no adequate remedy at law; and,
- 18 e. Public officers charged with the duty to protect complainant's property are
19 unable or unwilling to furnish adequate protection.
20

21 Such hearing shall be held after due and personal notice thereof has been served, in
22 such manner as the Commission shall direct, to all known persons against whom
23 relief is sought, and also to the Chief Executive and other public officials of the
24 province or city within which the unlawful acts have been threatened or committed,
25 charged with the duty to protect complainant's property: Provided, however, That if
26 a complainant shall also allege that, unless a temporary restraining order shall be
27 issued without notice, a substantial and irreparable injury to complainant's
28 property will be unavoidable, such a temporary restraining order may be issued
29 upon testimony under oath, sufficient, if sustained, to justify the Commission in
30 issuing a temporary injunction. Such a temporary restraining order shall be
31 effective for no longer than twenty (20) days and shall become void at the expiration
32 of said twenty (20) days.
33

34 No such temporary restraining order or temporary injunction shall be issued except
35 on condition that complainant shall first file an undertaking with adequate security
36 in an amount to be fixed by the Commission sufficient to recompense those enjoined
37 for any loss, expense or damage caused by the improvident or erroneous issuance of
38 such order or injunction, including all reasonable costs, together with a reasonable
39 attorney's fee, and expense of defense against the order or against the granting of
40 any injunctive relief sought in the same proceeding and subsequently denied by the
41 Commission.
42

43 The undertaking herein mentioned shall be understood to constitute an agreement
44 entered into by the complainant and the surety upon which an order may be
45 rendered in the same suit or proceeding against said complainant and surety, upon
46 a hearing to assess damages, of which hearing, complainant and surety shall have
47 reasonable notice, the said complainant and surety submitting themselves to the
48 jurisdiction of the Commission for that purpose. But nothing herein contained shall
49 deprive any party having a claim or cause of action under or upon such undertaking
50 from electing to pursue his/her ordinary remedy by suit at law or in equity:
51 Provided further, That the reception of evidence for the application of a writ of
52 injunction may be delegated by the Commission to any of its Arbiters who shall
53 conduct such hearings in such places as he/she may determine to be accessible to
54 the parties and their witnesses and shall submit thereafter his/her recommendation
55 to the Commission.
56

57 20.5. To exercise such other powers as are implied, necessary, or incidental to
58 carry out the express powers granted to the Commission.

1
2 Authority is hereby vested in the Commission to directly utilize the income
3 generated from fees, fines, charges, and other collections in the performance of its
4 functions, to defray operating expenses.

5
6 **SEC. 21. Compensation.** – A Commissioner shall receive a minimum monthly
7 compensation corresponding to Salary Grade 30 as prescribed under Republic Act
8 No. 6758, as amended.

9
10 The incumbent full time Commissioners of the present HLURB shall remain in
11 office unless they opt to avail of the retirement and separation benefits as
12 provided for in Section 34 of this Act or are earlier removed for cause.

13
14 **SEC. 22. The Arbiters, Qualifications and Compensation.** – The existing HLURB
15 Arbiters shall be deemed qualified. Additional Arbiters shall have the following
16 qualifications:

17
18 22.1 No person shall be appointed as Arbiter unless he or she is a member of the
19 Philippine Bar of good standing and has been engaged in the practice of law for at
20 least seven (7) years with at least three (3) years of experience or exposure in the
21 field of real estate and land use development cases, and,

22
23 22.2 The Arbiters shall receive a minimum monthly compensation corresponding to
24 Salary Grade 28 as prescribed under Republic Act No. 6758, as amended.

25
26 The President shall appoint Arbiters, as may be necessary, upon the
27 recommendation of the Commission.

28
29 **SEC. 23. The Sheriff.** – The Commission shall appoint a Sheriff or such number of
30 Sheriffs in its Central and Regional Offices in accordance with the provisions of the
31 Civil Service Law, rules and regulations. The Sheriff shall be responsible for the
32 service and execution of all writs, summonses, and orders and other processes of
33 the Commission.

34
35 **SEC. 24. Appeals.** – Decisions, awards, or orders of the Arbiters shall be final
36 and executory unless appealed to the Commission within fifteen (15) calendar
37 days from receipt of such decisions, awards, or orders. The appeal may be
38 entertained only on any of the following grounds:

39
40 24.1 There is *prima facie* evidence of abuse of discretion on the part of the
41 Arbiter in rendering the questioned decision, award, or order;

42
43 24.2 The decision, order, or award was secured through fraud or coercion,
44 including graft and corruption;

45
46 24.3 The appeal is made purely on questions of law; and,

47
48 24.4 Serious errors in the findings of facts are raised, which errors would
49 cause grave or irreparable damage or injury to the appellant.

50
51 **SEC. 25. Criminal Prosecution.** – The criminal prosecution for violation of
52 housing laws and regulations shall be instituted before criminal Courts having
53 appropriate jurisdiction.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**CHAPTER V
ATTACHED AGENCIES**

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

- 29
30
31
32
33
34
- 27.1 National Housing Authority (NHA);
 - 27.2 Home Guaranty Corporation (HGC);
 - 27.3 National Home Mortgage Finance Corporation (NHMFC);
 - 27.4 Home Development Mutual Fund (HDMF);
 - 27.5 Social Housing Finance Corporation (SHFC); and,
 - 27.6 Adjudication Commission for Housing, Land Use and Urban Development (Commission).

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

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

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

35
36
37
38

**CHAPTER VI
OTHER PROVISIONS**

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

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

SEC. 30. Identification and Designation of Lands for Housing and Urban and Rural Development. – For the purpose of designating lands for housing and urban and rural development, the Department of Housing and Urban

1 Development (DHUD), the Department of Environment and Natural Resources
2 (DENR), the Department of Agrarian Reform (DAR) Department of Agriculture
3 (DA), and the Land Registration Authority (LRA) shall, within one hundred
4 eighty (180) days from the effectivity of this Act, jointly identify agricultural
5 lands which, under Republic Act No. 6657, as amended, otherwise known as
6 the Comprehensive Agrarian Reform Law, and other existing laws, rules and
7 regulations are already exempted from conversion requirements: Provided,
8 That the list shall exclude lands that are declared as non-negotiable or
9 protected from conversion under existing laws and issuances and those lands
10 covered under Republic Act No. 6657: Provided, further, That the designation
11 of lands for housing and urban and rural development purposes shall neither
12 prejudice the rights of qualified beneficiaries under Republic Act No. 6657,
13 nor undermine the protected agricultural areas intended to ensure the
14 attainment of food security under Republic Act No. 8435, otherwise known as
15 Agricultural and Fisheries Modernization Act (AFMA) of 1997 and other
16 existing laws: Provided, furthermore, That in the case of lands exempted from
17 conversion, though these have been approved by the DAR, if these are
18 contested by affected individual or community beneficiaries, it shall not be
19 allowed to proceed with any horizontal or vertical development without need
20 for any prior clearance or approval from the DAR or the DA consistent with
21 the terms of the approved order or conversion: Provided, finally, That all idle
22 government lands in highly urbanized cities are hereby prioritized for housing
23 and urban development purposes.
24
25

26 **CHAPTER VII** 27 **TRANSITORY PROVISIONS** 28

29 **SEC. 31. Absorption of Employees of the Consolidated Agencies.** – The existing
30 employees of HUDCC and HLURB shall enjoy security of tenure and shall be
31 absorbed by the Department or the Commission, in accordance with their staffing
32 patterns and the selection process as prescribed under Republic Act No. 6656 on
33 the Rules on government reorganization, unless the employee wants to avail of
34 Section 33, hereof.
35

36 **SEC. 32. Transfer of Assets and Obligations.** – The following dispositive actions
37 shall be implemented within six (6) months from the effectivity of this Act:
38

39 32.1 The assets, equipment, funds, choses in action, records, and pertinent
40 transactions of HUDCC and HLURB shall be transferred to the Department and the
41 Commission; and,
42

43 32.2 The Department and the Commission shall propose the creation of additional
44 positions, as may be necessary, subject to the approval of DBM.
45

46 **SEC. 33. Transition Period.** – All transfer of functions, assets, funds, personnel,
47 equipment, properties, transactions, and personnel in the affected national
48 government agencies, and the formulation and implementation of the internal
49 organic structures, staffing patterns, operating systems, and revised budgets of the
50 Department and the Commission, shall be completed within six (6) months from the
51 effectivity of this Act, during which existing personnel shall continue to assume
52 their posts in holdover capacities until new appointments are issued.
53

54 **SEC. 34. Abolition of the Housing and Urban Development Coordinating**
55 **Council (HUDCC) and the Transfer of Rights and Assets.** – The Housing and
56 Urban Development Coordinating Council is hereby abolished.
57

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

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

10 **CHAPTER VIII**
11 **IMPLEMENTING AUTHORITY AND FUNDING**
12

13 **SEC. 36. Implementing Authority.** – The HUDCC Chairman is hereby authorized
14 to undertake the implementation of the provisions of this Act and implement the
15 necessary organizational changes within six (6) months or until a Department
16 Secretary has been appointed and has assumed office.
17

18 **SEC. 37. Funding.** – The amount needed for the initial implementation of this Act
19 shall be charged against the current year's appropriations of HUDCC and HLURB.
20 Thereafter, such sums as may be necessary for the continued implementation of
21 this Act, shall be included in the General Appropriations Act (GAA).
22
23

24 **CHAPTER IX**
25 **MISCELLANEOUS PROVISIONS**
26

27 **SEC. 38. Mandatory Review of the Implementation of this Act.** – The Congress
28 shall undertake a mandatory review of the implementation of this Act at the end of
29 the third year from the date of its effectivity.
30

31 **SEC. 39. Repealing Clause.** – All laws, executive orders, proclamations, rules,
32 regulations and other issuances or parts thereof which are inconsistent with the
33 provisions of this act are hereby repealed, amended or modified accordingly.
34

35 **SEC. 40. Separability Clause.** – If, for any reason or reasons, any portion or
36 provision of this Act shall be held unconstitutional or invalid, the remaining
37 provisions not affected thereby shall continue to be in full force and effect.
38

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

42 Approved,