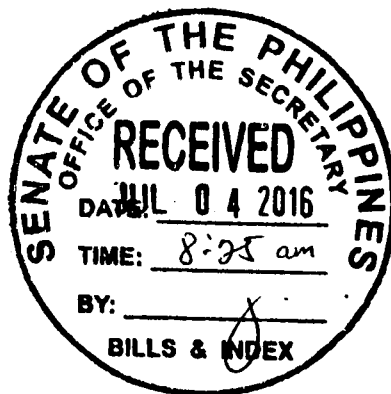


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



**SENATE**

**S.B. No. 232**

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Introduced by Senator FRANKLIN M. DRILON

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**AN ACT  
CREATING THE DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

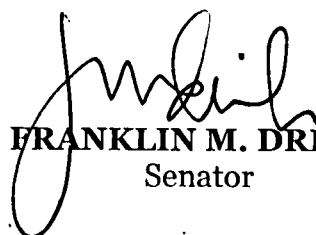
**EXPLANATORY NOTE**

One of the primary responsibilities of government is the promotion of a just and dynamic social order that will ensure prosperity and free the people from poverty. Towards this end, the Constitution mandates that the State shall provide "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."

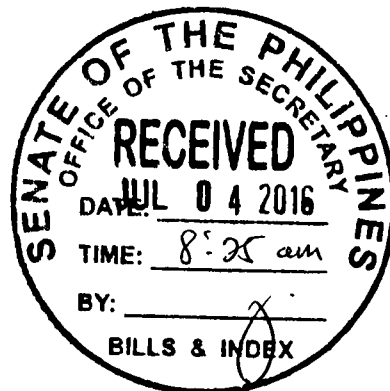
While the past Congresses have dutifully tried to respond to the constitutional mandate, the national shelter program has had no considerable impact in solving the problem of homelessness. This may be attributed to the fact that the various shelter agencies, though imbued with a single purpose, have not been able to act in sync. Moreover, because of the many agencies involved in addressing the problem of homelessness, a great number of our deserving but underprivileged citizens who desire to avail of housing assistance from government would not know where to go and how to proceed with the processing of their applications for housing loan.

For these reasons, the creation of single, strong, purposeful and highly motivated governmental housing entity specifically, a Department of Housing and Urban Development becomes a must. The proposed Department of Housing and Urban Development shall serve as the primary policy planning, programming, coordinating, implementing, and regulating arm of the Government which will be tasked to promote, develop and regulate dependable networks of housing, urban planning and resettlement programs and projects.

Its creation will lessen the burden of the homeless by providing a single entity which can facilitate and expedite the availability of housing projects and loans. With a singular Department of Housing there would no longer be a need for a housing applicant to go from one government agency to another to pursue his application. The only agency that he would be dealing with is the proposed Department of Housing and Urban Development which would be developed into a "one stop-shop for the homeless."

  
**FRANKLIN M. DRILON**  
Senator

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



**S E N A T E**

**S.B. No. 232**

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Introduced by Senator FRANKLIN M. DRILON

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**AN ACT**  
**CREATING THE DEPARTMENT OF HOUSING AND**  
**URBAN DEVELOPMENT**

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

**CHAPTER I**

**TITLE AND DECLARATION OF POLICY**

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

**SEC. 2. Declaration of Policy.** – 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.

The State shall ensure that poor dwellers in urban and rural areas shall not be evicted nor their dwelling demolished, except in accordance with law.

In addition, the State shall encourage on-site development in the implementation of housing programs and shall promote the creation of new settlements and development of sustainable urban renewal programs.

**CHAPTER II**

**DEFINITION OF TERMS**

**SEC. 3. Definition of Terms.** – As used in this Act:

- 1 a. *Attachment* refers to the lateral relationship between the department and  
2 the attached agency or corporation for purposes of policy and program  
3 coordination and as further defined under the Administrative Code.
- 4 b. *Land Use Plan* refers to the document, formulated by the local government  
5 in consultation with its stakeholders, that defines or provides guidelines on  
6 the allocation, utilization, development and management of all lands  
7 within a given territory or jurisdiction according to the inherent qualities  
8 of the land itself and supportive of economic, demographic, socio-cultural  
9 and environmental objectives.
- 10 c. *Housing* refers to a multidimensional concept relating to the process of  
11 residing and the objects of dwelling whose main attributes are location  
12 relative to access to livelihood, tenure arrangements, cost and physical  
13 structure, as well as their environment. Housing is likewise a physical  
14 structure as well as a social structure, functioning at different spatial scales  
15 from homes, neighborhoods, communities, municipalities, cities,  
16 provinces, and regions. It is also a sector of the economy, an important  
17 category of land use in both urban and rural areas, especially in cities, and  
18 is an important factor in the overall dynamics of the urban system;
- 19 d. *Urban Development* refers to the process of occupation and use of land or  
20 space for such activities as residential, industrial, commercial, and the like  
21 or their combinations, necessary to carry out the functions of urban living.  
22 It entails the building or rebuilding of more or less permanent structures  
23 over land that is often withdrawn or converted from its original use,  
24 resulting in the creation of a built environment.
- 25 e. *Urban Development Planning* refers to city planning or town planning, is  
26 a process that involves the planning of diverse elements that comprise an  
27 urbanized area, including its physical infrastructure, environment,  
28 housing, transportation, and management of land use and urban growth.

### 30 CHAPTER III

#### 31 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

32 SEC. 4. *Creation and Mandate of the Department of Housing and Urban*  
33 *Development.* – There is hereby created the Department of Housing and Urban  
34 Development, hereinafter referred to as the Department, through the consolidation

1 of the Housing and Urban Development Coordinating Council (HUDCC) and the  
2 Housing and Land Use Regulatory Board (HLURB). The Department shall act as the  
3 primary national government entity responsible for the management of housing and  
4 urban development. It shall be the sole and main planning and policy-making,  
5 regulatory, program coordination, and performance monitoring entity for all housing  
6 and urban development concerns, primarily focusing on the access to and the  
7 affordability of basic human needs.

8 SEC. 5. *Powers and Functions.* – The Department shall:

- 9 a. Formulate a national urban development and shelter framework, policy  
10 and strategy consistent with Philippine Development Plan, in coordination  
11 and consultation with the stakeholders, and ensuring its consistency with  
12 the;
- 13 b. Establish and operate a national urban development and shelter planning  
14 system, and develop the necessary planning guidelines, procedures and  
15 urban development standards that will define and delineate the roles of all  
16 stakeholders, and guide the planning, standards localization, promulgation  
17 and enforcement of rules, and service delivery programs of national  
18 government and local governments, and facilitate private sector  
19 investment;
- 20 c. Formulate and enforce general and specific policies for housing  
21 development and resettlement;
- 22 d. Implement a single regulatory system that shall govern all activities  
23 relative to the planning, production, marketing, and management of  
24 housing and urban development projects;
- 25 e. Formulate housing finance policies, and recommend and facilitate the  
26 development of mechanisms that promote the establishment of a self-  
27 sustaining housing finance system;
- 28 f. Formulate and implement a shelter program for urban poor communities/  
29 informal settler families that will promote their social and economic  
30 welfare, and mobilize resources and encourage stakeholder participation  
31 in the provision of urban services for the poor;
- 32 g. Delineate areas for priority development as housing and urban renewal  
33 areas and prepare programs for their regeneration;
- 34 h. Declare an identified area as either Urban Development, New Settlement

1 Site or Renewal Site, and together with the concerned LGU, develop and  
2 implement projects under PPP arrangement;

- 3 i. Develop and undertake housing development and/or resettlement  
4 projects, including prototype projects, through joint ventures or other  
5 arrangements with public and private entities, either domestic or foreign;
- 6 j. Conduct the pre- and post-proclamation activities as orchestrator and  
7 facilitator of the entire disposition process, including the stewardship of  
8 the Local Inter-Agency Committees;
- 9 k. Oversee the fast-tracked development and management of proclaimed  
10 housing sites; including the use of these land assets as resource  
11 mobilization strategy to raise alternative funds in developing new town  
12 housing projects;
- 13 l. Develop and establish a sector performance monitoring and assessment  
14 mechanism;
- 15 m. Discharge all responsibilities of the government, as may arise from  
16 treaties, agreements, and other commitments on housing and resettlement  
17 to which it is a Signatory, including the determination of forms of  
18 assistance for housing development to be extended through multilateral or  
19 bilateral assistance programs;
- 20 n. Own, lease, purchase or otherwise acquire, sell or otherwise dispose of,  
21 property, real or personal, as may be necessary and appropriate for the  
22 discharge of its functions;
- 23 o. Purchase, acquire, sell, discount, refinance, or otherwise deal in home  
24 mortgages or participations therein;
- 25 p. Enter into and perform such contracts with any person or entity, public or  
26 private, as may be necessary, proper or conducive to the attainment or  
27 furtherance of the objectives and purposes of this act;
- 28 q. Receive donations, grants, and bequests and utilize the same for the  
29 attainment of its objectives. Such donations, grants and bequests shall be  
30 exempt from the payment of transfer taxes and be fully deductible from  
31 the gross income of the donor or grantor for income tax purposes;
- 32 r. Exercise the right of eminent domain or acquire by purchase privately  
33 owned lands for purposes of housing development, resettlement and  
34 related services and facilities;

- s. Promote housing development by providing technical assistance;
- t. Provide assistance to the local governments in the discharge of its roles in urban development and urban management;
- u. Assist the LGUs in the establishment of a Special Housing Fund (SHF) to be sourced from the proceeds of Real Property Tax (RPT) pegged at one percent (1%) of the assessed value of real property;
- v. Declare, upon petition of the homeowners association and after due notice and hearing, a subdivision or condominium project as abandoned and grant the petitioner the authority to take over, cause, or initiate the development and completion of the project at the expense of the owner or developer, jointly and severally;
- w. Determine, fix and collect reasonable fees and charges necessary for the effective implementation of all laws, rules and regulations enforced by the Department and impose reasonable fines and penalties for violation thereof;
- x. Register and regulate Homeowners Associations (HOAs), Condominium Units Owners Association/Corporation (CUOA/C) and other housing development associations;
- y. Promulgate such rules and regulations and to do and perform any and all things as may be necessary and proper to carry out its responsibilities, powers and functions under this Act; and
- z. Perform such other related functions as may be mandated by law.

SEC. 6. *Composition.* The Department shall be headed by a Secretary. The Department proper shall be composed of the Office of the Secretary, the Offices of the Undersecretaries and the assistant secretaries.

SEC. 7. *The Secretary.* –The Secretary shall have the following functions:

- a. Provide executive direction and supervision over the entire operations of the Department and its attached agencies;
- b. Establish policies and standards for the effective, efficient and economical operation of the Department;
- c. Promulgate rules, regulations, and other issuances necessary in carrying out the Department's mandate, objectives, policies, plans, programs, and projects;
- d. Review and approve requests for financial and manpower resources of all

1 operating offices of the Department:

- 2 e. Appoint all officers and employees of the department except those
- 3 whose appointments are vested in the president or in some other
- 4 appointing authority;
- 5 f. Exercise disciplinary powers over officers and employees of the
- 6 Department in accordance with law, including their investigation and the
- 7 designation of a committee or officer to conduct such investigation:
- 8 g. Advise the President on the promulgation of executive and administrative
- 9 orders and formulation of regulatory and legislative proposals on matters
- 10 pertaining to housing and urban renewal programs; and
- 11 h. Perform such other functions as may be provided by law or assigned by the
- 12 President.

13 The Secretary shall be a voting member of the National Economic and  
14 Development Authority (NEDA) Board and the governing Boards of the Social  
15 Security System (SSS), the Government Service Insurance System (GSIS), the  
16 Climate Change Commission (CCC), the National Disaster Risk Reduction and  
17 Management Council (NDRRMC), and the Philippine Reclamation Authority (PRA).  
18 The Secretary shall be a member of the NEDA's Committee on Infrastructure  
19 (INFRACOM), Investment Coordination Committee (ICC) and Social Development  
20 Committee (SDC). The Secretary shall also be a member of the body authorized to  
21 formulate, prescribe, or amend guidelines pursuant to Republic Act No. 6957, as  
22 amended, otherwise known as the "Build-Operate-Transfer (BOT) Law".

23 SEC. 8. *The Undersecretaries.* – Taking into account the requirements of the  
24 Department and subject to the approval of the President, the Secretary shall be  
25 assisted by:

- 26 a. One (1) Undersecretary for the Bureau of Policy Development and
- 27 Program Coordination, Monitoring, and Evaluation;
- 28 b. One (1) Undersecretary for the Bureau of Environmental, Land Use and
- 29 Urban Planning and Development;
- 30 c. One (1) Undersecretary for the Bureau of Regulation of Housing and Real
- 31 Estate Development; and
- 32 d. One (1) Undersecretary for the Bureau of Homeowners, Homeowners'
- 33 Associations, and Community Development.

34 They shall have the powers and functions as provided for in Section 10,

Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is further authorized to delineate and assign the other functional areas of responsibility of the Undersecretaries.

SEC. 9. *Qualifications and Appointment.* – The Secretary and Undersecretaries shall be citizens and residents of the Philippines, of good moral character, and of proven competence and integrity. They shall all be appointed by the President. The Undersecretaries shall be career officers.

SEC. 10. *Departmental Bureaus and Regional Offices.* – The Department shall establish, operate, and maintain the following bureaus and other support offices:

- a. Policy Development and Program Coordination, Monitoring, and Evaluation Bureau;
- b. Environmental, Land Use and Urban Planning and Development Bureau;
- c. Housing and Real Estate Development Bureau;
- d. Homeowners, Homeowners' Associations, and Community Development Bureau; and
- e. Legal and Support Services.

There shall be a Regional Office in all administrative regions, headed by a Regional Director. In addition to the existing functions of the regional offices of the HUDCC and the HLURB, the Regional Office shall perform such other functions as may be delegated by the Secretary.

SEC. 11. *Staffing Pattern.* – The development of the Department's staffing pattern shall be based on an assessment of the personnel requirements of the entire Department by the Secretary and as approved by the Department of Budget and Management (DBM). The remuneration structure of the positions and the staffing pattern shall strictly conform to the Salary Standardization Law, as amended.

#### CHAPTER IV

#### HUMAN SETTLEMENTS ADJUDICATORY COMMISSION

SEC. 12. *Reorganization of the HLURB as the Human Settlements Adjudicatory Commission (HSAC).* – The HLURB is hereby reorganized and shall henceforth be known as the Human Settlements Adjudicatory Commission ("HSAC"), which shall operate as an independent Commission within the Department.

The HSAC shall be a quasi-judicial body with original and exclusive



1 jurisdiction over all issues and controversies arising from the interpretation and  
2 implementation of Republic Act No. 7279, otherwise known as the "Urban  
3 Development and Housing Act of 1992" (UDHA), all amendments thereto, and its  
4 implementing rules and regulations (IRR).

5 SEC. 13. *Transfer of Adjudicatory Function of the HLURB to the HSAC.* – The  
6 adjudicatory function of the HLURB is hereby transferred to the HSAC.

7 SEC. 14. *Composition and Qualification of Members.* – The HSAC shall be  
8 composed of the Secretary and nine (9) full time Commissioners: *Provided*, That the  
9 term of the incumbent Commissioners shall be respected: *Provided, further*, That  
10 the subsequent appointees of the President shall be members of the Philippine Bar,  
11 of which three (3) Commissioners shall have experience in urban development  
12 planning, sustainable development, climate change adaptation, and disaster risk  
13 reduction; three (3) shall be nominees of the urban poor and homeowners'  
14 associations; and three (3) shall come from the private sector.

15 The Commissioners must have been engaged in the practice of law for a  
16 period of at least five (5) years prior to their appointment.

17 The Commissioners shall hold office for six (6) years or until they become  
18 incapacitated to discharge the duties of their office, whichever comes earlier.

19 No person who has been convicted of a crime involving moral turpitude shall  
20 be appointed at any time as a Member of the HSAC.

21 The most senior Commissioner shall be the Presiding Commissioner of the  
22 First Division and the two (2) next senior Members shall be the Presiding  
23 Commissioners of the Second and Third Divisions, respectively: *Provided*, That each  
24 Division that shall be composed of three (3) members shall have one (1) member  
25 representing the urban poor communities or homeowners' associations.

26 For purposes of this Act, precedence in seniority shall be determined in the  
27 order in which the appointments were issued by the President.

28 SEC. 15. *Exercise of Adjudicatory Function and Other Powers.* – The HSAC,  
29 sitting *en banc* and presided over by the Secretary, shall promulgate the rules and  
30 regulations governing the hearing and disposition of cases before any of its Divisions  
31 and its arbiters in its Regional Offices, and shall formulate policies effecting its  
32 administration and operations.

33 The Divisions of the HSAC shall have exclusive appellate jurisdiction over  
34 cases decided by its Arbiters.

1       The HSAC sitting *en banc* may, on temporary or emergency basis, allow cases  
2 within the jurisdiction of any Division to be heard and decided by any other Division  
3 whose docket allows the additional workload: *Provided*, That the transfer shall not  
4 expose litigants to unnecessary additional expense.

5       The HSAC sitting *en banc* may designate any Commissioner who shall  
6 exercise administrative supervision over the HSAC and its Regional branches and all  
7 their personnel, including the Arbiters.

8       The HSAC shall be assisted by the Board Secretary, which shall perform such  
9 similar or equivalent functions of the Board Secretary of the HLURB.

10      SEC. 16. *Decisions and Resolutions.* – The concurrence of two (2)  
11 Commissioners of a Division shall be necessary for the pronouncement of a judgment  
12 or resolution. Whenever the required membership in a Division is not complete and  
13 the concurrence of two (2) Commissioners to arrive at a judgment or resolution  
14 cannot be obtained, the most senior Commissioner shall designate into the Division  
15 such number of additional Commissioners from the other Divisions as may be  
16 necessary.

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

23      SEC. 17. *Compensation.* – A Commissioner shall receive an annual salary of at  
24 least equivalent to an Undersecretary.

25      The incumbent full time Commissioners of the present HLURB pursuant to  
26 Executive Order No. 648, Series of 1981 “Reorganizing the Human Settlements  
27 Regulatory Commission” shall remain in office unless they opt to avail of the  
28 retirement and separation benefits as provided for in Section 33 of this Act, or are  
29 sooner removed for cause.

30      SEC. 18. *Jurisdiction.* – In addition to the existing jurisdiction of the HLURB,  
31 the Arbiters shall exercise original and exclusive jurisdiction over cases involving the  
32 following matters:

- 33      a. Violation of the mandatory requirements in the execution of eviction or  
34 demolition involving underprivileged and homeless citizens under Section 28

- 1 on Eviction and Demolition under UDHA;
- 2 b. Disputes involving buyer financing agreements with any financing institution
- 3 for condominium or subdivision projects;
- 4 c. Intra-corporate disputes involving condominium corporations; and
- 5 d. Disputes involving the enforcement of Comprehensive Land Use Plans
- 6 (CLUPs).
- 7 e. Violations Section 7, 8 and 18 of UDHA and its rules and regulations;
- 8 f. Unsound and fraudulent real estate business practices;
- 9 g. Refund actions against project owners, developers, dealers, brokers, or
- 10 salespersons;
- 11 h. Specific performance of contractual and statutory obligations filed by buyers
- 12 of subdivision lots, or house and lots, or of condominium units against the
- 13 project owner, developer, dealer, broker or salesperson;
- 14 i. Nullity of mortgage filed by the unit buyer against the developer as mortgagor
- 15 and the financial institution as mortgagee;
- 16 j. Other related cases arising from contractual or statutory obligations of
- 17 owners, dealers, brokers, or salespersons toward a lot or house and lot or unit
- 18 buyers; and
- 19 k. Intra and intercorporate disputes between and among homeowners'
- 20 associations.

21 SEC. 19. *Powers and Authorities of the HSAC.* – In addition to the

22 adjudicatory powers given to the HLURB, the HSAC shall:

- 23 a. Issue writs and orders prohibiting demolitions, seizures, or closures of
- 24 property including temporary writs or orders restraining demolitions,
- 25 seizures, and closures of property;
- 26 b. Issue writs and orders to execute demolitions, seizures, or closures of property
- 27 in accordance with its decision or judgment;
- 28 c. Impose administrative fines or penalties, for violation of UDHA and other
- 29 laws implemented by the HSAC, including pertinent rules and regulations,
- 30 orders, decisions, or rulings;
- 31 d. Exercise such other powers as are implied, necessary, or incidental to carry
- 32 out the express powers granted to the HSAC or to achieve the objectives and
- 33 purposes of this Act, and other laws implemented by the HSAC.

34 SEC. 20. *Institution of Criminal Prosecution.* – The criminal prosecution of

1 violations of housing laws and regulations shall be instituted before the appropriate  
2 criminal courts.

3 SEC. 21. *The Arbiters: Qualifications and Appointment.* – Arbiters shall be  
4 member of the Philippine Bar for at least three (3) years.

5 SEC. 22. *The Sheriff.* – The Secretary shall appoint a Sheriff or such number  
6 of Sheriffs in its Central and Regional branches. To be appointed as Sheriff, one must  
7 be a second grade Civil Service eligible and must have completed at least two (2)  
8 years of college. The Sheriff shall be responsible for the service and execution of all  
9 writs, summons, orders, and other processes of the HSAC.

10 SEC. 23. *Appeals.* – Decisions, awards, or orders of the Arbiters shall be final  
11 and executory unless appealed to the HSAC within fifteen (15) calendar days from  
12 receipt of the decision, award, or order. The appeal may be entertained only on any  
13 of the following grounds:

- 14 a. There is *prima facie* evidence of abuse of discretion on the part of the  
15 Arbiters in rendering the questioned decision, award, or order;
- 16 b. The decision, order, or award was secured through fraud or coercion,  
17 including graft and corruption;
- 18 c. Purely on questions of law; and
- 19 d. Serious errors in the findings of facts, which errors would cause grave or  
20 irreparable damage or injury to the appellant.

21 The decision of the HSAC upon any disputed matter may be brought to the  
22 Court of Appeals by way of a petition for review. An appeal from a decision of the  
23 HSAC must be filed within fifteen (15) calendar days from notice of judgment, award,  
24 or order, pursuant to Rule 43 of the Rules of Court. No appeal bond shall be  
25 required. No appeal shall act as a *supersedeas* or a stay of the order of the HSAC.

26 SEC. 24. *Prohibition Against Restraining Order or Injunction.* – No lower  
27 court of the Philippines shall issue any restraining order, or writ of preliminary  
28 injunction, or permanent injunction against the HSAC or its Arbiters in any case,  
29 dispute, or controversy arising from, necessary to, or in connection with the  
30 application, implementation, enforcement, or interpretation of this Act and other  
31 pertinent laws on housing and on just and humane eviction or demolition  
32 procedures.

33 SEC. 25. *Pending Cases.* – All cases pending in regular courts arising from or  
34 in connection with the implementation of pertinent laws on housing and on just and

1 humane eviction and demolition procedures, shall continue to be heard, tried, and  
2 decided to their finality by such courts.

## 3 CHAPTER V

### 4 ATTACHED AGENCIES

5 SEC. 26. *Attached Agencies and Corporations.* – The following agencies and  
6 corporations are hereby attached to the Department for policy and program  
7 coordination, monitoring and evaluation:

- 8 a. National Housing Authority (NHA);
- 9 b. Home Guaranty Corporation (HGC);
- 10 c. National Home Mortgage Finance Corporation (NHMFC);
- 11 d. Home Development Mutual Fund (HDMF); and
- 12 e. Social Housing Finance Corporation (SHFC).

13 SEC. 27. *Nature of Attachment.* – Any provision of law, or the respective  
14 charters of the abovementioned corporations and agencies to the contrary  
15 notwithstanding, the Secretary shall, in a concurrent capacity, be the *ex officio*  
16 Chairperson of the respective boards of the NHA, HGC, NHMFC, HDMF, and SHFC.

17 The agencies shall continue to function according to existing laws and their  
18 respective charters.

19 The reorganization, merger, streamlining of functions, abolition, or  
20 privatization of any attached government-owned and/or -controlled corporation  
21 (GOCC) shall be implemented with the concurrence of the Secretary pursuant to  
22 Republic Act No. 6656, entitled “An Act to Protect the Security of Tenure of Civil  
23 Service Officers and Employees in the Implementation of Government  
24 Reorganization”. The appointment of the Board of Directors or Trustees of the  
25 attached GOCCs shall be in accordance with Republic Act No. 10149, otherwise  
26 known as the “GOCC Governance Act of 2011”.

## 27 CHAPTER VI

### 28 TRANSITORY PROVISIONS

29 SEC. 28. *Transfer of Functions.* – The following agencies are hereby  
30 abolished, and their powers and functions, applicable funds and appropriations,  
31 records, equipment, property, and personnel transferred to the Department:

- 32 a. HUDCC; and
- 33 b. HLURB.

34 SEC. 28. *Transfer of Assets.* – The following ctions shall be implemented

1 within six (6) months from the effectivity of this Act:

2 c. The transfer to the Department of the assets, equipment, funds, records,  
3 and pertinent transactions of the HUDCC and the HLURB; and

4 d. The submission of the Department and the HSAC of a request to the DBM  
5 for the creation of additional positions and the augmentation of their  
6 budget appropriations as may be needed.

7 SEC. 29. *Absorption of Employees of the Consolidated Agencies.* – The  
8 present career employees of the HUDCC and the HLURB shall enjoy security of  
9 tenure and shall be absorbed by the Department, in accordance with its staffing  
10 pattern and selection process as prescribed under Republic Act No. 6656, unless they  
11 are separated from the service by virtue of the reorganization resulting from this Act,  
12 or opt and are qualified to retire from service.

13 SEC. 30. *Separation from the Service.* – Unless absolutely required, no  
14 employee shall be separated from the service as a result of any reorganization or  
15 consolidation under the provisions of this Act.

16 In addition, those who desire and are qualified to retire shall be entitled to all  
17 benefits provided under the existing retirement laws.

18 SEC. 31. *Transfer of Rights and Obligations.* – The Department shall, by  
19 virtue of this Act, be subrogated to all rights and assume all the liabilities of the  
20 HUDCC and all other agencies of the government whose functions and powers have  
21 been transferred to it, and all their pertinent funds, records, property, assets,  
22 equipment and such personnel, including unexpended portions of their  
23 appropriations.

24 SEC. 32. *Transition Period.* – All transfer of functions, assets, funds,  
25 personnel, equipment, properties, and transactions in the affected national  
26 government agencies, and the formulation and implementation of the internal  
27 organic structures, staffing patterns, operating systems, and revised budgets of the  
28 Department and the HSAC, shall be completed within six (6) months from the  
29 effectivity of this Act, during which existing personnel shall continue to assume their  
30 posts in holdover capacities until new appointments are issued.

31 SEC. 33. *Implementing Rules and Regulations.* – The Secretary shall prepare  
32 and issue the implementing rules and regulations (IRR) of the Department within  
33 sixty (60) days upon the effectivity of this Act.

34 CHAPTER VII

1 FUNDING

2 SEC. 34. *Funding.* – The amount necessary for the initial implementation of  
3 the provisions of this Act shall be charged against the current year's appropriations  
4 of the HUDCC and the HLURB. Thereafter, such sums as may be necessary for the  
5 continued implementation of this Act shall be included in the annual General  
6 Appropriations Act.

7 CHAPTER VIII

8 FINAL PROVISIONS

9 SEC. 35. *Creation of Social Housing One-Stop Processing Centers (SHOPCs).*  
10 – The Department shall establish SHOPCs in all administrative regions of the  
11 country. The SHOPCs shall be responsible for the centralized processing and  
12 issuance of all required housing-related permits, clearances, and licenses in  
13 accordance with Executive Order No. 45, Series of 2001, entitled "Prescribing Time  
14 Periods for Issuance of Housing Related Certifications, Clearances and Permits, and  
15 Imposing Sanctions for Failure to Observe the Same": *Provided*, That for the  
16 foregoing purpose, the respective ceilings for socialized, low cost/economic and  
17 middle-income housing shall be jointly determined by the Department and the  
18 NEDA: *Provided, further*, That at any time, but not more than once every two (2)  
19 years, such ceilings may be reviewed or revised to conform to prevailing economic  
20 conditions. All agencies involved in the issuance of said permits, clearances, and  
21 licenses shall be represented in the SHOPC and shall assign SHOPC personnel from  
22 regional centers who shall be sufficiently authorized to process and issue the same.

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

26 SEC. 37. *Repealing Clause.* – All laws, executive orders, proclamations, rules,  
27 regulations and other issuances or parts thereof which are inconsistent with the  
28 provisions of this Act are hereby repealed, amended or modified accordingly.

29 SEC. 41. *Effectivity.* – This Act shall take effect after its publication in the in  
30 two (2) newspapers of general circulation.

31 *Approved,*