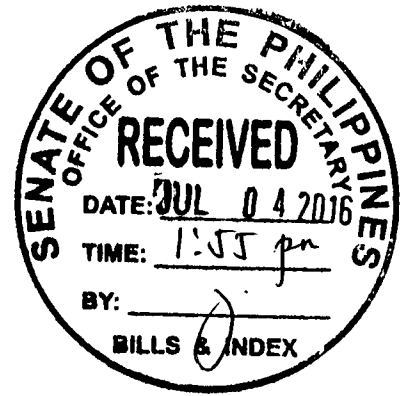


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

SENATE  
SENATE BILL NO. 328



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INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

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**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 or 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. "*

Housing is a basic need of every individual and the mandate of the Constitution is firm and clear as to the importance of housing and urban development. However, it is daunting to know that despite the humongous task, the core legislation that creates a national policy-making body vested with the power to address and give high priority to the housing sector holistically is lacking. It is the opportune time that we take into consideration the creation of a single department that will focus solely on the management of housing and urban development, concentrating on access to and affordability of this very basic human need for shelter.

Through this proposed legislation, it is with great optimism that the escalating housing backlog and the institutional weakening of housing agencies will be effectively prioritized and resolved.

The Department shall be created through the consolidation of the Housing and Urban Development Coordinating Council (HUDCC) and the Housing and Land Use Regulatory Board (HLURB).


The Department shall act as the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing and urban development concerns. Under one housing department, we will then be able to better consolidate, rationalize and coordinate the functions and powers of the HUDCC and the HLURB, along with the other key shelter agencies namely the National Home Mortgage Finance Corporation (NHMFC), Home Guaranty Corporation (HGC), Home Development Mutual Fund (HDMF), National Housing Authority (NHA), and the Social Housing Finance Corporation (SHFC), which shall be attached to the Department in order to facilitate faster response to housing needs.

The HLURB will be reconstituted and shall be known as the Human Settlements Adjudicatory Commission and the adjudication function of the HLURB shall be assumed and exercised by the Commission.

It is high time that we systematically address the housing need of this country and accept the challenge we now face, to promote socially and environmentally sustainable human settlements and achieve adequate shelter for all.

With the creation of the Department of Human Settlement and Urban Development, we will be more effective as a government in addressing the people's rights to adequate and safe housing.

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



**JOSEPH VICTOR G. EJERCITO**  
**SENATOR**



1 system of governance; and where urban areas provide the opportunities for an  
2 improved quality of life and eradication of poverty.

3

4 Poor dwellers in urban or rural areas shall not be evicted nor their dwelling  
5 demolished, except in accordance with law.

6

7

## CHAPTER II

8

### DEFINITION OF TERMS

9

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

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

14 b) *Housing* refers to the system and its components which establish the  
15 residential quality of life, including housing, utilities, access to social services  
16 and other community facilities, security and other aspects related to an  
17 individual's residence.

18 c) *Informal Settler Families (ISFs)* refer to household living in:

19

20 1) Lot without consent of the property owner;

21 2) Dangerous areas;

22 3) Areas for government infrastructure projects;

23 4) Protected/forest areas (except for indigenous people);

24 5) Areas for Priority Development (APDs, if applicable); and

25 6) Other government/public land or facilities not intended for habitation.

26

27 d) *Urban Development* refers to the process of occupation and use of land or space  
28 for such activities as residential, industrial, commercial and the like or their  
29 combinations, necessary to carry out the functions of urban living. It entails  
30 the building or rebuilding of more or less permanent structures over land that

1 is often withdrawn or converted from its original use, resulting in the creation  
2 of a built environment.

- 3
- 4 e) *Human Settlement* - comprise of (a) physical components of shelter and  
5 infrastructure; and (b) services to which the physical elements provide  
6 support, such as community services which includes education, health,  
7 culture, welfare, recreation and nutrition

8

9 **CHAPTER III**

10 **DEPARTMENT OF HUMAN SETTLEMENT AND URBAN DEVELOPMENT**

11

12 *Sec. 4. Creation and Mandates of the Department of Human Settlement and Urban*

13 *Development.* There is hereby created the Department of the Human Settlement and  
14 Urban Development, hereinafter referred to as the Department, through the  
15 consolidation of the Housing and Development Coordinating Council (HUDCC) and  
16 the Housing and Land Use Regulatory Board (HLURB). The Department shall act as  
17 primary national government entity responsible for the management of housing,  
18 human settlement and urban development.

19

20 It shall be the sole and main planning and policy-making regulatory, program  
21 coordination, and performance monitoring entity for all housing, human settlement  
22 and urban development concerns, primary focusing on the access to and  
23 affordability of the basic human needs.

24

25 *Sec. 5. Powers and Functions-* the Department shall perform the following:

- 26
- 27 a) Formulate the national and urban development and housing policy and strategy  
28 that ensure consistency with the Philippine Development Plan (PDP) and the  
29 National Physical Framework Plan (NPFP) to promote social and economic  
30 welfare;

- 1 b) Exercise initiative and assume a lead role in coordinating, supervising, and  
2 integrating all government activities relative to the human settlement and urban  
3 development;
- 4 c) Formulate housing finance policies to promote the establishment of self-  
5 sustaining, private sector-led housing financing system;
- 6 d) Develop and maintain housing database that shall include a shelter and urban  
7 development management information system;
- 8 e) Manage and oversee the fast-tracked development of proclaimed housing sites,  
9 including the use of these land assets as resource mobilization strategy to raise  
10 alternative funds in developing new town housing projects which will serves as  
11 central relocation sites for the affected informal settlers;
- 12 f) Develop effective and efficient financing programs for housing beneficiaries and  
13 developers;
- 14 g) Ensure the Department's participation in sustainable development, climate  
15 change adaption, and disaster risk reduction;
- 16 h) Enter into contracts, joint venture agreements or understanding, either domestic  
17 or foreign, under such terms and conditions as the Department may deem proper  
18 and reasonable and the subject to existing laws;
- 19 i) Discharge all responsibilities of government that may arise from treaties,  
20 agreements and other commitments on human settlement and urban  
21 development to be extended through bilateral or multilateral loans and/or  
22 assistance programs;
- 23 j) Receive, take and hold by bequest, devise, gift, purchase or lease, either  
24 absolutely or in trust for any of its purposes from foreign and domestic sources,  
25 any asset, grant or property, real or personal, subject to such limitations as are  
26 provided under existing laws and regulations;
- 27 k) Exercise oversight function, coordinate, monitor and evaluate the policies and  
28 programs of all its attached agencies;
- 29 l) Conduct continuing and comprehensive studies and research necessary for  
30 human settlement and urban development;

- 1 m) Provide assistance to build the capacity of LGUs in urban development and  
2 management to strengthen the role of provinces, cities and municipalities as the  
3 primary entries for the urban development, renewal planning and management;
- 4 n) Monitor local and government compliance with housing and urban development  
5 laws, standards and guidelines, as well with their judicious and fair application  
6 of local housing and urban development ordinances;
- 7 o) Support local government partnerships with communities, civil society  
8 organizations, non-government organizations, and private groups in the  
9 implementation of urban development and renewal projects.
- 10 p) Develop and establish a sector performance monitoring and assessment  
11 mechanism, monitor and independently report on the performance of national  
12 government agencies and LGUs in the human settlement and urban development  
13 sector to enable continuing improvements in sector policy and strategy  
14 formulation;
- 15 q) Lead in the deposition of lands intended for housing and owned by the  
16 Government or any of its subdivisions, instrumentalities, agencies or  
17 government-owned-or-controlled corporations (GOCCs) such as but not limited  
18 to military reservations, lands reserved for government offices, facilities and  
19 other installations, and other land assets including friar lands which have not  
20 been used for the purposes for which have been reserved or set aside for the past  
21 ten (10) years from the effectivity of Republic Act No. 7279, otherwise known as  
22 the Urban Development and Housing Act of 1992.
- 23 r) Declare an area as Urban Development Renewal site including the development  
24 and implementation of sub-projects jointly with the concerned LGUs under a  
25 Public-Private Partnership (PPP) arrangement;
- 26 s) Advocate and assist the LGUs in the establishment of Special Housing Fund  
27 (SHF) to be sourced from the proceeds of Real Property Tax (RPT) pegged at one-  
28 half per centum (.5%) of the assessed value of real property which will be  
29 exclusively used for identification of sites for socialized housing and low-cost  
30 housing, data gathering, inventory of lands; mobilization and implementation of  
31 socialized and low-cost housing programs of the LGUs;

- 1 t) Take the lead in the conduct of Pre- and Post- Proclamation activities as  
2 orchestrator and facilitator of the entire disposition process, including the  
3 stewardship of the Local Inter-Agency Communities (LIACs) which are the  
4 primary tasked to oversee the implementation of housing proclamation projects;
- 5 u) Effect and oversee a single regulatory system that shall govern all activities  
6 relative to the planning, development, production, marketing, and management  
7 of housing and urban development projects;
- 8 v) Take over unfinished, incomplete or abandoned licensed real estate development  
9 projects under Presidential Decree No. 957, in coordination with the appropriate  
10 government agencies and instrumentalities under such guidelines as may be  
11 formulated;
- 12 w) Encourage the private sector to address and serve a large part of the country's  
13 housing needs;
- 14 x) Promote, accredit and regulate the use of indigenous material and technologies in  
15 the housing construction;
- 16 y) Implement prototype projects, including the power of eminent domain, in  
17 housing and urban development undertakings;
- 18 z) Determine, fix and collect reasonable amounts to be charged as fees and charges  
19 necessary for the effective implementation of all laws, rules and regulations  
20 enforced by the Department and impose reasonable fines and penalties for  
21 violation thereof, provided, that income generated from fees, fines, charges and  
22 other collections in the performance of its functions may be utilized to defray  
23 operating expenses;
- 24
- 25 aa) Register, regulate and provide community development programs for  
26 Homeowners Association (HOAs) and Condominium Units Owners  
27 Associations/Corporations (CUONCs);
- 28 bb) Formulate and ensure the implementation of housing policies and programs  
29 for urban poor communities and informal settler families (ISFs) that will  
30 promote the social and economic welfare of homeless families, particularly  
31 the poor and unprivileged;



- 1 cc) Initiate and encourage deeper and active involvement and participation of a  
2 broader spectrum of citizenry through housing cooperatives and civil  
3 society organizations which shall be used as an avenue through which  
4 housing needs are assessed and recognized and, together with the local  
5 government units, serve as the implementing agencies for housing and  
6 urban development programs; and  
7 dd) Perform such other related functions as may be mandated by law.

8  
9 *Sec.6. Composition,* The Department shall be composed of the Office of the Secretary,  
10 its immediate staff, the Offices of the Undersecretaries and Assistant Secretaries with  
11 respect to their areas of responsibilities and their respective staff, and the Offices  
12 directly supporting the Office of the Secretary.

13  
14 *Sec.7. The Secretary* - The Secretary shall:

- 15 a) Advise the president of the promulgation of rules, regulations and other  
16 issuances relative to matters under the jurisdiction of the Department;  
17 b) Establish policies and standards for the efficient and effective operations of the  
18 Department in accordance with programs of the government;  
19 c) Promulgate rules, regulations and other issuances necessary in carrying out the  
20 Department's mandate, objectives, policies, plans, programs and projects;  
21 d) Exercise control and supervision over all personnel and functions of the  
22 Department;  
23 e) Delegate authority for the performance of any administrative or substantive  
24 function to the subordinate officials of the Department;  
25 f) Call on other agencies and Instrumentalities of the government and private  
26 entities for cooperation and assistance in the performance of its functions; and  
27 g) Perform such other function as may be provided by law or assigned by the  
28 President.

29  
30 The Secretary shall also serve as a voting member of the National Economic and  
31 Development Authority (NEDA) Board, the governing Boards of the Climate

1 Change Commission (CCC), the National Disaster Risk Reduction Management  
2 Council (NDRRMC), and the National Land Use Committee (NLUC). The Secretary  
3 shall be a member of NEDA's Committee on Infrastructure (INFRACOM),  
4 Investment Coordinating Committee (ICC) and Social Development Committee  
5 (SDC). The Secretary shall also be a member of the body authorized to formulate,  
6 prescribe, or amend guidelines under Republic Act No. 6957 as amended, otherwise  
7 known as the Build-Operate-Transfer (BOT) Law.

8  
9 *Sec. 8. The Undersecretaries-* The Secretary shall be assisted by:

- 10  
11 a) One (1) Undersecretary for the Bureau of Policies, Coordination, Monitoring,  
12 Evaluation and Programs;  
13 b) One (1) Undersecretary for the Bureau of Environmental, Land Use and Urban  
14 Planning and Development;  
15 c) One (1) Undersecretary for the Bureau of Regulation of Housing and Real Estate  
16 Development; and  
17 d) One (1) Undersecretary for the Bureau of Homeowners, Homeowners  
18 Associations and Community Development.

19  
20 They shall have the powers and functions as provided for in Section 10, Chapter 2,  
21 Book  
22 IV of the Administrative Code of 1987. The Secretary is further authorized to  
23 delineate and assign the other functional areas of responsibility of the  
24 Undersecretaries.

25  
26 *Sec. 9. Qualifications and Appointment.* The Secretary and Undersecretaries shall be  
27 citizens and residents of the Philippines, of good moral character, and of proven  
28 competence and integrity. They shall be appointed by the President. The  
29 Undersecretaries shall be career officers.

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

- 3
- 4 a) Environmental, Land Use and Urban Planning and Development;
  - 5 b) Community Development
  - 6 c) Plans, Policies, Programs and Monitoring Group; and
  - 7 d) Legal and Support and Services Group.
- 8

9 There shall be Regional Offices in all the country's administrative regions which  
10 shall be headed by a Regional Director.

11

12 Sec. 11. *Staffing Pattern* - The Secretary shall cause the preparation and  
13 implementation of a staffing pattern for the Department. The development of the  
14 staffing pattern shall be based on an assessment of the personnel requirements of the  
15 entire Department. The remuneration structure of the positions in the staffing  
16 pattern shall conform to the provisions of Republic Act 24 No. 6758, otherwise  
17 known as the Salary Standardization Law, as amended. The Department of Budget  
18 and Management (DBM) shall, upon its approval, fund in full the staffing pattern of  
19 the Department.

20

#### 21 CHAPTER IV

#### 22 HUMAN SETTLEMENTS ADJUCATORY COMMISSION

23

24 Sec. 12. *Reconstitution of the HLURB as tile Human Settlements Adjudatory Commission*  
25 *(HSAC)* - The HLURB is hereby reconstituted and shall henceforth be known as the  
26 Human Settlements Adjudatory Commission, hereinafter referred to as the  
27 "Commission" which shall be attached with the Department for policy, plan and  
28 program coordination only.

29

30 Sec. 13. *Transfer of Adjudatory Function of the HLURB to the HSAC*- The adjudication  
31 function of the HLURB shall be assumed and exercised by the Commission.

1

2 Sec. 14. *Composition and Qualifications of Members*- The Commission shall be  
3 composed of nine (9) full-time commissioners; Provided, that the term of incumbent  
4 Commissioners shall be respected; Provided further, that the subsequent appointees  
5 of the President shall be members of the Philippine Bar of good standing and has  
6 been engaged in the practice of law for at least ten (10) years with experience and/or  
7 exposure in housing and/or urban development. The Commissioners shall hold  
8 office for a period of six (6) years, unless earlier removed for cause. The Department  
9 Secretary shall be the Ex-Officio Chairman of the Commission.

10

11 Sec.15. *Collegiality, Divisions, and Sessions* -The Commission shall exercise its  
12 adjudicatory and all other powers, functions, and duties through its Divisions. The  
13 Divisions of the Commission shall have exclusive appellate jurisdiction over cases  
14 decided by its Arbiters. The Commission, sitting en banc, shall be presided over by  
15 the Secretary and shall decide only on the promulgation of rules and regulations  
16 governing the hearing and disposition of cases before any of its Divisions and its  
17 Arbiters in its Regional Offices, and on the formulation of policies affecting its  
18 administration and operations.

19

20 Sec. 16. *Decisions and Resolutions* - The concurrence of two [2] Commissioners of a  
21 division shall be necessary for the pronouncement of a judgment or resolution.  
22 Whenever the required membership in a Division is not complete and the  
23 concurrence of two [2] Commissioners to arrive at a judgment or resolution cannot  
24 be obtained, the most senior Commissioner shall designate into the division such  
25 number of additional Commissioners from the other divisions as may be necessary.

26

27 The conclusion of a Division on any cases submitted to it for decision shall be  
28 reached in consultation before the case is assigned to a Member for writing of the  
29 decision. It shall be mandatory for the Division to meet the purposes of the  
30 consultation ordained herein. A certification to this effect by the presiding

1 Commissioner of the division shall be issued and a copy thereof attached to the  
2 record of the case and served upon the parties.

3  
4 *Sec. 17. Precedence and Supervision* - The most senior Commissioner shall be the  
5 Presiding Commissioner of the first Division and the two (2) next senior Members  
6 shall be the Presiding Commissioners of the second and third Divisions,  
7 respectively.

8 The Commission sitting en banc may designate any Commissioner who shall  
9 have administrative supervision over the Commission and its Regional branches and  
10 all their personnel, including the Arbiters.

11 The Commission shall be assisted by the Board Secretariat which shall  
12 perform such similar or equivalent functions of the Board Secretary of the HLURB.

13  
14 *Sec. 18. Compensation* - A Commissioner shall receive an annual salary at least  
15 equivalent to an Undersecretary.

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

19  
20 *Sec. 19. Jurisdiction of Arbiters* - The Arbiters shall exercise exclusive jurisdiction to  
21 hear and decide cases involving the following:

- 22
- 23 a. Claims for refund, complaints against unsound real estate business practices and  
24 other actions for specific performance of contractual and statutory obligations  
25 filed by subdivision lot or condominium unit buyer against the project owner,  
26 developer, dealer, broker or salesman; and other complaints for violation of  
27 Presidential Decree 8 No. 957 and other related laws;
  - 28 b. Intra-association disputes or controversies arising out of the relations between  
29 and among members of homeowners associations or condominium  
30 corporations; between any or all of them and the homeowners association or

- 1 condominium corporation of which they are members, including federations of  
2 homeowners associations;
- 3 c. Inter-association disputes or controversies among out of the corporate relations  
4 between and among two or more homeowners associations or condominium  
5 corporations or federations;
- 6 d. Disputes between such homeowners association or condominium corporation  
7 and the State, insofar as it concerns their individual franchise or right to exist  
8 and those which are intrinsically connected with the regulation of homeowners  
9 associations and condominium corporations or dealing with the internal affairs  
10 of such entity;
- 11 e. Suits filed in opposition to an application for certificate of registration and  
12 license to sell, development permit for condominium projects, clearance to  
13 mortgage, or the revocation or cancellation thereof, and locational clearances,  
14 certifications or permits, when issued by the HLURB/the Department;
- 15 f. Suits filed by the project owner/developer against a buyer for the collection of  
16 unpaid amortization, cancellation of contract and/or ejection.
- 17 g. Eviction of informal settlers in open spaces or common areas of subdivisions  
18 and condominiums filed by the project owner or developer or the duly  
19 registered homeowners association or condominium corporation of the project;
- 20 h. Disputes involving buyer financing agreements with any financing institution  
21 for the purchase of condominium units or subdivision lots; and
- 22 i. Disputes involving easements within or among subdivision projects.
- 23 j. Violations of administrative rules and regulations implementing Sections 7, 8  
24 and 18 of Republic Act No. 7279.
- 25 k. Disputes between landowners and developers; and between banks/financing  
26 institutions and developers whenever the interest of the buyers is involved;
- 27 I. Disputes involving the enforcement of comprehensive land use plans (CLUPs)  
28 and/or their accompanying zoning ordinances.
- 29 m. Such other actions as may be provided by law.
- 30

1 See. 20. *Jurisdiction of the Commission and the Secretary.* The Commission shall have the  
2 exclusive appellate jurisdiction over all cases decided by the Arbiters. The decision  
3 of the Commission shall be final and executory after fifteen (15) calendar days from  
4 receipt thereof by the parties. The Secretary may assume jurisdiction over any  
5 complaint or case and decide the same or certify such case for decision to the  
6 Commission if the controversy involves massive real estate fraud or unsound  
7 business practices of critical socio-economic or environmental considerations that  
8 may have serious potential impact on the interests of the sector or the general  
9 welfare.

10

11 Sec. 21. *Powers and Authorities of the Commission* - The Commission shall have the  
12 power and authority:

13 a) To issue writs, and orders prohibiting demolitions, seizures or closures of  
14 property including temporary writs or orders restraining demolitions, seizures or  
15 closures of property;

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

18 c) To impose administrative fines and/or penalties for violation of R.A. No.  
19 7279, as amended, and other laws implemented by the Commission, including  
20 pertinent rules and regulations, orders, decisions and/or rulings: Provided, That the  
21 Commission may adjust such fines not more than once every three (3) years; and

22 d) To exercise powers granted to the Commission or to achieve the objectives  
23 and purposes of this Act, and other laws implemented by the Commission.

24

25 Sec. 22. *Criminal Prosecution* - The criminal prosecution for violation of housing laws  
26 and

27 regulations shall be instituted before criminal Courts having appropriate  
28 jurisdiction.

29

30 Sec. 23. *The Arbiters - Qualifications and Appointment.* The existing BLURB Arbiters  
31 shall be deemed qualified. Additional Arbiters should be a member of the Philippine

1 Bar for at least seven (7) years, with at least three (3) years of experience or exposure  
2 in the field of real and land use development cases.

3 The Arbiters shall receive a minimum monthly compensation corresponding  
4 to Salary Grade 28 as prescribed under Republic Act No. 6758, as amended. The  
5 President, upon the recommendation of the Secretary, shall appoint Arbiters and as  
6 may be necessary, for each administrative region, upon the recommendation of the  
7 Commission en banc.

8  
9 Sec. 24. *The Sheriff*. The Commission shall appoint a Sheriff or such member of  
10 Sheriffs in its Central and Regional branches, in accordance with the provisions of  
11 the Civil Service Law, rules and regulations. The Sheriff shall be responsible for the  
12 service and execution of all writs, summonses, and orders and other processes of the  
13 Commission.

14  
15 Sec. 25. *Appeals* - Decisions, awards, or orders of the Arbiters shall be final and  
16 executor unless appealed to the BSAC within fifteen (15) calendar days from receipt  
17 of such decisions, awards, or orders. The appeal may be entertained only on any of  
18 the following grounds:

- 19  
20 a) If there is *prima facie* evidence of abuse of discretion on the part of the  
21 Arbiters in rendering the questioned decision, award, or order;  
22 b) If the decision, order or award was secured through fraud or coercion,  
23 including graft and corruption;  
24 c) If the appeal is made purely on questions of law; and  
25 d) If serious errors in the finding of facts are raised, which errors would  
26 cause grave or irreparable damage or injury to the appellant.

27  
28 Decision of HSAC can be appealed to the Court of Appeals by way of a  
29 Petition for Review within fifteen (15) calendar days from notice of judgment,  
30 award, or order sought to be appealed, pursuant to Rule 43 of the Rules of Court.



1 Sec. 26. *Prohibition Against Restraining Order of Injunction* - No lower Court of the  
2 Philippines shall have jurisdiction to issue any restraining order or writ of  
3 preliminary injunction or permanent injunction-against Commission or its Arbiters  
4 in any application, implementation, enforcement, or interpretation of the Act and  
5 other pertinent laws on housing and on just and humane eviction or demolition  
6 procedures.

7  
8 Sec. 27. *Pending Cases* - All cases pending in regular Courts arising from in  
9 connection with the implementation of pertinent laws on housing and on just and  
10 humane eviction and demolition procedures, shall continue to be heard, tried and  
11 decided to their finality by such Courts.

12  
13 **CHAPTER V**  
14 **ATTACHED AGENCIES**

15  
16 Sec. 28. *Attached Agencies and Corporations* - The following agencies and corporations  
17 are  
18 hereby attached to the Department for policy and program coordination monitoring  
19 and evaluation:

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

26  
27 All these agencies shall continue to function according to existing laws and their  
28 respective Charters. However, each of the heads of the attached agencies shall enter  
29 into a performance contract annually with the secretary. Such contracts shall  
30 embody the national targets on housing and urban development and shall include

1 the over-all administration of the agency and the streaming of personnel for effective  
2 and efficient service.

3  
4 The reorganization, merger, streamlining, abolition or privatization of any attached  
5 GOCCs shall be in consultation with the department and the GOCC concerned. The  
6 appointment of the Board of Directors of Trustees of the attached GOCCs shall be in  
7 accordance with R.A. No. 10149, otherwise known as the GOCC Governance Act of  
8 2011.

9  
10 See 29. *Nature of Attachment* · The Secretary shall be elected as Chairperson of the  
11 governing Boards of the NHA, HDMF, NHMFC, SHFC, and HGC.

12  
13 **CHAPTER VI**  
14 **OTHER PROVISIONS**

15  
16 See 30. *Social Housing One- Stop Processing Centers (SHOPCs)* - The Department shall  
17 establish SHOPCs in the regions, which shall centralize the processing and issuance  
18 of all required housing-related permits, clearances, and licenses in accordance with  
19 Executive Order No. 45, series of 2001 entitled "Prescribing time periods for issuance  
20 of housing related certifications, clearances and permits, and imposing sanctions for  
21 failure to observe the same" Provided, That for the foregoing purpose, the respective  
22 ceilings for socialized, low cost/ economic and middle-income housing shall be  
23 jointly determined by the Department and NEDA; Provided further, That at any  
24 time, but not more than once every two (2) years, such ceilings may be reviewed or  
25 revised to conform to prevailing economic conditions. All agencies involved in the  
26 issuance of said permits, clearances and licenses shall be represented in the SHOPC  
27 and shall assign to SHOPC regional centers personnel who shall be sufficiently  
28 authorized to process and issue the same.

29  
30 See 31. *Identification and Designation of Lands for Housing and Urban and Rural*  
31 *Development*- For the purpose of designating lands for housing and urban and rural

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

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21  
22 **CHAPTER VII**  
23 **TRANSITORY PROVISIONS**  
24

25 *Sec 32. Absorption of Employee of the Consolidated Agencies* - The existing civil servants  
26 of  
27 HUDCC and HLURB shall enjoy security of tenure and shall be absorbed by the  
28 Department in accordance with their staffing patterns and the selection process as  
29 prescribed under R.A. No. 6656 on the Rules on Government reorganization, unless  
30 the civil servant wants to avail of Section 35 hereof.

1 Sec 33. *Transfer of Assets and Obligations* - The following dispositive actions shall be  
2 implemented within six (6) months from the effectivity of this Act:

3 a) The assets, equipment funds, records, and pertinent transactions of  
4 HUDCC and HLURB shall be transferred to the Department and the Commission,  
5 and;

6 b) The Department and the Commission shall cause the creation of additional  
7 positions and augment their budget appropriations, as may be necessary.  
8

9 Sec 34. *Transition Period*- All transfer of functions, assets, funds, personnel,  
10 equipment, properties, transactions, and personnel in the affected national  
11 government agencies and the formulation and implementation of the internal  
12 organic structures, staffing patterns, operations systems, and revised budgets of the  
13 Department and the Department and the Commission, shall be completed within six  
14 (6) months from the effectivity of this Act, during which existing personnel shall  
15 continue to assume their posts in holdover capacities until new appointments are  
16 issued.  
17

18 Sec 35. *Separation from the Service*- Employees separated and/ or phased out from the  
19 service as a result of the consolidation and/or reorganization under the provisions of  
20 this Act shall within one (1) month from their separation and/or phase out from the  
21 service, receive separation benefits in accordance with existing laws. In addition,  
22 those who are qualified to retire shall be allowed to retire and be entitled to all  
23 benefits provided, under any of the existing retirement laws.  
24

25 Sec 36. *Transfer of Functions*- The following functions are hereby transferred as  
26 stipulated hereunder:  
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28 a) The regulatory function of the HLURB, including the formulation,  
29 promulgation, and enforcement of rules, standards and guidelines are hereby  
30 transferred to the Department;



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CHAPTER IX

MISCELLANEOUS PROVISIONS

Sec 41. *Mandatory Review of the Implementation of this Act* - The Department shall conduct and submit a report to Congress a review of the implementation of this Act at the end of the second year from the date of its effectivity.

Sec 42. *Repealing Clause* - All laws, executive orders, proclamations, rules, regulations, and other issuances or parts thereof which are inconsistent with the provisions of this act are hereby repealed, amended or modified accordingly.

Sec 43. *Separability Clause* - If, for any reasons, any portion or provisions of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

Sec 44. *Effectivity*- This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

*Approved.*