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REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



Senate  
Office of the Secretary

'16 SEP 13 P6:28

SENATE  
S. B. No. 1139

RECEIVED BY: 

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Introduced by SENATOR JOEL VILLANUEVA

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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 Philippine Constitution provides that "the State shall, by law, and for the common good, undertake, in cooperation with the public 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 resettlements areas." Unfortunately, the performance of the State with regard to the housing sector is not very encouraging.

Based on recent news, the housing backlog in the country is steadily increasing every year, and the backlog is estimated to increase to 5.5 Million houses at the end of this year. Meanwhile, only about 200,000 houses are sold each year. This dismal figure shows that there is a need to align the government efforts to housing and urban development.

This poor performance is confounded by the fact that there are several government agencies in charge of the housing sector. This bill seeks to establish the creation of the Department of Housing Urban Development and seeks to bring the different housing agencies under the supervision of the Department. This bill also ensures coordination and cooperation among different agencies, like the Technical Education and Skills Development Authority (TESDA), to ensure that housing and resettlement plans are comprehensive and holistic.

This is in line with the principle that decent housing is not limited to the provision of a physical structure to our citizens. According to the United Nations, "[t]he human right to adequate housing is more than four walls and a


roof. It is the right of every woman, man, youth and child to gain and sustain a safe and secure home and community in which to live in peace and dignity.”

The immediate approval of this bill is earnestly sought.

  
**SENATOR JOEL VILLANUEVA**

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**AN ACT CREATING THE DEPARTMENT OF  
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DEFINING ITS MANDATES, POWERS AND FUNCTIONS,  
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

1 **SECTION 1. TITLE.** This Act shall be known as the "Department of Human  
2 Settlement and Urban Development Act of 2016."  
3

4 **SECTION 2. DECLARATION OF POLICIES.** It is hereby declared the policy of the  
5 State to undertake, in cooperation with the public sector, a continuing program of  
6 urban land reform and housing which will make available at affordable cost decent  
7 housing and basic services to underprivileged and homeless citizens in urban  
8 centers and resettlements areas. The State shall also promote adequate  
9 employment opportunities to such citizens.  
10

11 **SECTION 3. DEFINITION OF TERMS.** For the purposes of this Act, the following  
12 terms shall be defined herein:  
13

- 14 (a) *Attachment* refers to lateral relationship between a department and the  
15 attached agency or corporation for purposes of policy and program  
16 coordination and as further defined in the Administrative Code;  
17  
18 (b) *Commission* refers to the Human Settlements Adjudicatory Commission  
19 (HSAC);  
20  
21 (c) *Department* refers to the Department of Housing and Urban Development;  
22  
23 (d) *HLURB* refers to the Housing and Land Use Regulatory Board;  
24  
25 (e) *Housing* refers to the system and its components which establish the  
26 residential quality of life, including housing, utilities, access to social services



and other community facilities, security and other aspects related to an individual's residence;

(f) *HUDCC* refers to the Housing and Urban Development Council;

(g) *Human Settlement* comprise of (1) physical components of shelter and infrastructure; and (2) services to which the physical elements provide support, such as community services which includes education, health, culture, welfare, recreation and nutrition;

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

- (1) Lot without consent of the property owner;
- (2) Dangerous areas;
- (3) Areas for government infrastructure projects;
- (4) Protected/forest areas (except for indigenous people);
- (5) Areas for Priority Development (APDs, if applicable); and
- (6) Other government/public land or facilities not intended for habitation; and

(i) *Urban Development* refers to the process of occupation and use of land or space for such activities as residential, industrial, commercial and the like or their combinations, necessary to carry out the functions of urban living. It entails the building or rebuilding of more or less permanent structures over land that is often withdrawn or converted from its original use, resulting in the creation of a built environment.

**SECTION 4. CREATION AND MANDATES OF THE DEPARTMENT OF HUMAN SETTLEMENT AND URBAN DEVELOPMENT.** There is hereby created the Department of Human Settlement and Urban Development (the "Department"), 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 primary national government entity responsible for the management of housing, human settlement and urban development.

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

**SECTION 5. POWERS AND FUNCTIONS.** The Department shall have the following functions:

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

(b) Exercise initiative and assume a lead role in coordinating, supervising and integrating all government activities relative to the human settlement and urban development;



- (c) Formulate housing finance policies to promote the establishment of self-sustaining, private sector-led housing financing system;
- (d) Examine the feasibility of adopting alternative modes of providing housing, such a ownership, public rental scheme, usufructuary, among others;
- (e) Develop and maintain housing database that shall include a shelter and urban development management information system;
- (f) Manage and oversee the fast-tracked development of proclaimed housing sites, including the use of these land assets as resource mobilization strategy to raise alternative funds in developing new town housing projects which will serve as central relocation sites for the affected informal settlers;
- (g) Develop effective and efficient financing programs for housing beneficiaries and developers;
- (h) Ensure the Department's participation in sustainable development, climate change adoption, and disaster risk reduction;
- (i) Enter into contracts, joint venture agreements or understanding, either domestic or foreign, under such terms and conditions as the Department may deem proper and reasonable and subject to existing laws;
- (j) Discharge all responsibilities of government that may arise from treaties, agreements and other commitments on human settlement and urban development to be extended through bilateral or multilateral loans and/or assistance programs;
- (k) Receive, take and hold by bequest, device, gift, purchase or lease, either absolutely or in trust for any of its purposes from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitation as are provided under existing laws and regulations;
- (l) Exercise oversight function, coordinate, monitor and evaluate the policies and programs of all its attached agencies;
- (m) Conduct continuing and comprehensive studies and research necessary for human settlement and urban development;
- (n) Provide assistance to build the capacity of local government units (LGUs) in urban development and management, as well as in preparing their respective local shelter plan, to strengthen the role of provinces, cities and municipalities as the primary entries for the urban development, renewal planning and management;
- (o) Monitor local and government compliance with housing and urban development laws, standards and guidelines, as well with their judicious and fair application of local housing and urban development ordinances;



- 1
- 2 (p) Support local government partnerships with communities, civil society
- 3 organizations, non-government organizations, and private groups in the
- 4 implementation of urban development and renewal projects;
- 5
- 6 (q) Develop and establish a sector performance monitoring and assessment
- 7 mechanism, monitor and independently report on the performance of national
- 8 government agencies and LGUs in the human settlement and urban
- 9 development sector to enable continuing improvements in sector policy and
- 10 strategy formulation;
- 11
- 12 (r) Lead in the disposition of lands intended for housing and owned by the
- 13 Government or any of its subdivisions, instrumentalities, agencies or
- 14 government-owned or controlled corporations (GOCCs) such as, but not
- 15 limited to military reservations, lands reserved for government offices, facilities
- 16 and other installations, and other land assets including friar lands which have
- 17 not been used for the purposes for which have been reserved or set aside for
- 18 the past ten (10) years from the effectivity of Republic Act No. 7279, otherwise
- 19 known as the Urban Development and Housing Act of 1992;
- 20
- 21 (s) Declare an area as urban development renewal site including the
- 22 development and implementation of sub-projects jointly with the concerned
- 23 LGUs under a Private-Public Partnership (PPP) management;
- 24
- 25 (t) Advocate and assist the LGUs in the establishment of Special Housing Fund
- 26 (SHF) to be sourced from the proceeds of Real Property Tax (RPT) pegged at
- 27 one half percent (0.5%) of the assessed value of real property which will be
- 28 exclusively used for identification of sites for socialized housing and low-cost
- 29 housing, data gathering, inventory of lands, mobilization and implementation
- 30 of socialized and low-cost housing programs of the LGUs;
- 31
- 32 (u) Take the lead in the conduct of pre- and post-proclamation activities as
- 33 orchestrator and facilitator of the entire disposition process, including the
- 34 stewardship of the Local Inter-Agency Communities (LIACs) which are
- 35 primarily tasked to oversee the implementation of housing proclamation
- 36 projects;
- 37
- 38 (v) Effect and oversee a single regulatory system that shall govern all activities
- 39 relative to the planning, development, production, marketing and management
- 40 of housing and urban development projects;
- 41 (w) Take over unfinished, incomplete or abandoned licensed real estate
- 42 development projects under Presidential Decree No. 957, in coordination with
- 43 the appropriate government agencies and instrumentalities under such
- 44 guidelines as may be formulated;
- 45
- 46 (x) Encourage the private sector to address and serve a large part of the
- 47 country's housing needs;
- 48
- 49 (y) Promote, accredit and regulate the use of indigenous material and
- 50 technologies in the housing construction;



- 1  
2 (z) Implement prototype projects, including the power of eminent domain, in  
3 housing and urban development undertakings;  
4  
5 (aa) Determine, fix and collect reasonable amounts to be charged as fees and  
6 charges necessary for the effective implementation of all laws, rules and  
7 regulations enforced by the Department and impose reasonable fines and  
8 penalties for violation thereof, provided, that income generated from fees,  
9 fines, charges and other collections in the performance of its functions may be  
10 utilized to defray operating expenses;  
11  
12 (bb) Register, regulate and provide community development programs for  
13 Homeowners Association (HOAs) and Condominium Units Owners  
14 Associations/Corporations (CUONCs);  
15  
16 (cc) Formulate and ensure the implementation of housing policies and programs  
17 for urban poor communities and informal settler families (ISFs) that will  
18 promote the social and economic welfare of homeless families, particularly the  
19 poor and unprivileged;  
20  
21 (dd) Initiate and encourage deeper and active involvement and participation of a  
22 broader spectrum of citizenry through housing cooperatives and civil society  
23 organizations which shall be used as an avenue through which housing needs  
24 are assessed and recognized and, together with the local government units,  
25 serve as the implementing agencies for housing and urban development  
26 programs;  
27  
28 (ee) Perform such other related functions as may be mandated by law.  
29

30 **SECTION 6. COMPOSITION.** The Department shall be composed of the Office of  
31 the Secretary, its immediate staff, the Offices of the Undersecretaries and Assistant  
32 Secretaries, and the Offices directly supporting the Office of the Secretary.  
33

34 **SECTION 7. THE SECRETARY.** The Secretary shall have the following functions:  
35

- 36 (a) Advise the President on the promulgation of rules, regulations and other  
37 issuances relative to matters under the jurisdiction of the Department;  
38  
39 (b) Establish policies and standards for the efficient and effective operations of  
40 the Department in accordance with programs of the government;  
41  
42 (c) Promulgate rules, regulations and other issuances necessary in carrying out  
43 the Department's mandate, objectives policies, plans, programs and projects;  
44  
45 (d) Exercise control and supervision over all personnel and functions of the  
46 Department;  
47  
48 (e) Delegate authority for the performance of any administrative or substantive  
49 function to the subordinate officials of the Department;  
50



- 1 (f) Call on other agencies and instrumentalities of the government and private  
2 entities for cooperation and assistance in the performance of its functions; and  
3  
4 (g) Perform such other function as may be provided by law or assigned by the  
5 President.  
6

7 The Secretary shall also serve as a voting member of the National Economic and  
8 Development Authority (NEDA) Board, the governing boards of the Climate Change  
9 Commission (CCC), the National Disaster Risk Reduction Management Council  
10 (NDRRMC) and the National Land Use Committee (NLUC). The Secretary shall be a  
11 member of NEDA's Committee on Infrastructure (INFRACOM), Investment  
12 Coordinating Committee (ICC) and Social Development Committee (SDC). The  
13 Secretary shall also be a member of the body authorized to formulate, prescribe or  
14 amend guidelines under Republic Act No. 6957 as amended, otherwise known as  
15 the Build-Operate-Transfer (BOT) Law.  
16

17 **SECTION 8. THE UNDERSECRETARIES.** The Secretaries shall be assisted by at  
18 least four Undersecretaries, as follows:  
19

- 20 (a) One (1) Undersecretary for the Bureau of Policies, Coordination, Monitoring,  
21 Evaluation and Programs;  
22  
23 (b) One (1) Undersecretary for the Bureau of Environmental, Land Use and  
24 Urban Planning and Development;  
25  
26 (c) One (1) Undersecretary for the Bureau of Regulation of Housing and Real  
27 Estate Development; and  
28  
29 (d) One (1) Undersecretary for the Bureau of Homeowners, Homeowners  
30 Associations and Community Development.  
31

32 They shall have the powers and functions as provided for in Section 10, Chapter 2,  
33 Book IV of the Administrative Code of 1987. The Secretary is further authorized to  
34 delineate and assign the other functional areas of responsibility of the  
35 Undersecretaries.  
36

37 **SECTION 9. QUALIFICATIONS AND APPOINTMENT.** The Secretary and  
38 Undersecretaries shall be citizens and residents of the Philippines, of good moral  
39 character, and of proven competence and integrity. They shall be appointed by the  
40 President. The Undersecretaries shall be career officers.  
41

42 **SECTION 10. DEPARTMENT BUREAUS AND REGIONAL OFFICES.** The  
43 Department shall establish, operate and maintain Bureaus under it, such as but not  
44 limited to:  
45

- 46 (a) Environmental, Land Use and Urban Planning and Development;  
47  
48 (b) Community Development;  
49  
50 (c) Plans, Policies, Programs and Monitoring Group; and



1  
2 (d) Legal and Support and Services Group.  
3

4 There shall be Regional Offices in all the country's administrative regions which shall  
5 be headed by a Regional Director.  
6

7 **SECTION 11. STAFFING PATTERN.** The Secretary shall cause the preparation and  
8 implementation of a staffing pattern for the Department. The development of the  
9 staffing pattern shall be based on an assessment of the personnel requirements of  
10 the entire Department. The remuneration structure of the positions in the staffing  
11 pattern shall conform to the provisions of Republic Act No. 6758, otherwise known as  
12 the Salary Standardization Law, as amended. The Department of Budget and  
13 Management (DBM) shall, upon its approval, fund in full the staffing pattern of the  
14 Department.  
15

16 **SECTION 12. RECONSTITUTION OF THE HLURB AS THE HUMAN**  
17 **SETTLEMENTS ADJUDICATORY COMMISSION (HSAC).** The HLURB is hereby  
18 reconstituted as the Human Settlements Adjudicatory Commission (the  
19 "Commission"), which shall be attached with the Department for policy, plan and  
20 program coordination only.  
21

22 **SECTION 13. TRANSFER OF ADJUDICATORY FUNCTION OF THE HLURB TO**  
23 **THE HSAC.** The adjudication function of the HLURB shall be assumed and  
24 exercised by the Commission.  
25

26 **SECTION 14. COMPOSITION AND QUALIFICATIONS OF MEMBERS.** The  
27 Commission shall be composed of nine (9) full time commissioners; *provided that*,  
28 the term of incumbent Commissioners shall be respected; *provided further*, that the  
29 subsequent appointees of the President shall be members of the Philippine Bar of  
30 good standing and has been engaged in the practice of law for at least ten (10) years  
31 with experience and/or exposure in housing and/or urban development.  
32

33 The Commissioners shall hold office for a period of six (6) years, unless earlier  
34 removed for cause. The Department Secretary shall be the ex-officio chairman of the  
35 Commission.  
36

37 **SECTION 15. COLLEGIALITY, DIVISIONS AND SESSIONS.** The Commission shall  
38 exercise its adjudicatory and all other powers, functions and duties through its  
39 divisions. The divisions of the Commission shall have exclusive appellate jurisdiction  
40 over cases decided by its arbiters. The Commission, sitting *en banc*, shall be  
41 presided over by the Secretary and shall decide only on the promulgation of rules  
42 and regulations governing the hearing and disposition of cases before any of its  
43 divisions and its arbiters in its regional offices, and on the formulation of policies  
44 affecting its administration and operations.  
45

46 **SECTION 16. DECISIONS AND RESOLUTIONS.** The concurrence of two (2)  
47 Commissioners of a division shall be necessary for the pronouncement of a  
48 judgment or resolution. Whenever the required membership in a division is not  
49 complete and the concurrence of two (2) Commissioners to arrive at a judgment or  
50 resolution cannot be obtained, the most senior commissioner shall designate into the



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

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

10  
11 **SECTION 17. PRECEDENCE AND SUPERVISION.** The most senior Commissioner  
12 shall be the Presiding Commissioner of the first division and the two (2) next senior  
13 members shall be the Presiding Commissioners of the second and third divisions,  
14 respectively.

15  
16 The Commission sitting *en banc* may designate any Commissioner who shall have  
17 administrative supervision over the Commission and its regional branches and all  
18 their personnel, including the arbiters.

19  
20 The Commission shall be assisted by the Board secretariat which shall perform such  
21 similar or equivalent functions of the Board Secretary of the HLURB.

22  
23 **SECTION 18. COMPENSATION.** A Commissioner shall receive an annual salary at  
24 least equivalent to an undersecretary.

25  
26 The incumbent full time Commissioners of the present HLURB shall remain in office  
27 unless they opt to avail of the retirement and separation benefits as provided for in  
28 this Act or are sooner removed for cause.

29  
30 **SECTION 19. JURISDICTION OF ARBITERS.** The arbiters shall exercise exclusive  
31 jurisdiction to hear and decide cases involving the following:

- 32
- 33 (a) Claims for refund, complaints against unsound real estate business practices  
34 and other actions for specific performance of contractual and statutory  
35 obligations filed by subdivision lot or condominium unit buyer against the  
36 project owner, developer, dealer, broker or salesman, and other complaints  
37 for violation of Presidential Decree No. 957 and other related laws;  
38
  - 39 (b) Intra-association disputes or controversies arising out of the relations between  
40 and among members of homeowners associations or condominium  
41 corporations, between any or all of them and the homeowners association or  
42 condominium corporation of which they are members, including federations of  
43 homeowners associations;  
44
  - 45 (c) Inter-association disputes or controversies arising out of or in connection with  
46 the corporate relations between and among two or more homeowners  
47 associations or condominium corporations or federations;  
48
  - 49 (d) Disputes between such homeowners association or condominium corporation  
50 and the State, insofar as it concerns their individual franchise or right to exist



1 and those which are intrinsically connected with the regulation of homeowners  
2 associations and condominium corporations or dealing with the internal affairs  
3 of such entity;  
4

- 5 (e) Suits filed in opposition to an application for certificate of registration and  
6 license to sell, development permit for condominium projects, clearance to  
7 mortgage, or the revocation or cancellation thereof, and locational clearances,  
8 certificates or permits, when issued by the HLURB/ the Department;  
9
- 10 (f) Suits filed by the project owner/developer against a buyer for the collection of  
11 unpaid amortization, cancellation of contract and/or ejectment;  
12
- 13 (g) Eviction of informal settlers in open spaces or common areas of subdivisions  
14 and condominiums filed by the project owner or developer or the duly  
15 registered homeowners association or condominium corporation of the  
16 project;  
17
- 18 (h) Disputes involving buyer financing agreements with any financing institution  
19 for the purchase of condominium units or subdivision lots;  
20
- 21 (i) Disputes involving easements within or among subdivision projects;  
22
- 23 (j) Violations of administrative rules and regulations implementing Sections 7, 8  
24 and 18 of Republic Act No. 7279;  
25
- 26 (k) Disputes between landowners and developers, and between banks/financing  
27 institutions and developers whenever the interest of the buyers is involved;  
28
- 29 (l) Disputes involving the enforcement of comprehensive land use plans (CLUPs)  
30 and/or their accompanying zoning ordinances; and  
31
- 32 (m) Such other actions as may be provided by law.  
33

#### 34 **SECTION 20. JURISDICTION OF THE COMMISSION AND THE SECRETARY.**

35 The Commission shall have the exclusive appellate jurisdiction over all cases  
36 decided by the arbiters. The decision of the Commission shall be final and executory  
37 after fifteen (15) calendar days from receipt thereof by the parties. The Secretary  
38 may assume jurisdiction over a complaint or case and decide the same or certify  
39 such case for decision to the Commission if the controversy involved massive real  
40 estate fraud or unsound business practices of critical socio-economic or  
41 environmental considerations that may have serious potential impact on the interests  
42 of the sector or the general welfare.  
43

#### 44 **SECTION 21. POWERS AND AUTHORITIES OF THE COMMISSION.** The 45 Commission shall have the following powers and authorities: 46

- 47 (a) To issue writs and orders prohibiting demolitions, seizures or closures of  
48 property including temporary writs or orders restraining demolitions, seizures  
49 or closures of property;  
50



- 1 (b) To issue writs and orders to execute demolitions or seizures or property in  
2 accordance with its decision or judgment;  
3  
4 (c) To impose administrative fines and/or penalties for violation of Republic Act  
5 No. 7279, as amended, and other laws implemented by the Commission,  
6 including pertinent rules and regulations, orders, decisions and/or rulings  
7 provided that, the Commission may adjust such fines not more than once  
8 every three (3) years; and  
9  
10 (d) To exercise powers granted to the Commission or to achieve the objectives  
11 and purposes of this Act, and other laws implemented by the Commission.  
12

13 **SECTION 22. CRIMINAL PROSECUTION.** The criminal prosecution for violation of  
14 housing laws and regulations shall be instituted before criminal courts having  
15 appropriate jurisdiction.  
16

17 **SECTION 23. QUALIFICATIONS AND APPOINTMENT OF ARBITERS.** The  
18 existing HLURB arbiters shall be deemed qualified. Additional arbiters should be a  
19 member of the Philippine Bar for at least seven (7) years, with at least three (3)  
20 years of experience or exposure in the field of real and land use development cases.  
21

22 The arbiters shall receive a minimum monthly compensation corresponding to Salary  
23 Grade 28 as prescribed under Republic Act No. 6758, as amended. The President,  
24 upon the recommendation of the Secretary, shall appoint arbiters and as may be  
25 necessary, for each administrative region, upon the recommendation of the  
26 Commission *en banc*.  
27

28 **SECTION 24. THE SHERIFF.** The Commission shall appoint a sheriff in its central  
29 and regional branches, in accordance with the provisions of the Civil Service law,  
30 rules and regulations. The Sheriff shall be responsible for the service and execution  
31 of all writs, summonses, and orders and other processes of the Commission.  
32

33 **SECTION 25. APPEALS.** Decisions, awards, or orders of the arbiters shall be final  
34 and executory unless appealed to the Commission within fifteen (15) calendar days  
35 from receipt of such decisions, awards or orders. The appeal may be entertained  
36 only on any of the following grounds:  
37

- 38 (a) If there is *prima facie* evidence of abuse of discretion on the part of the  
39 arbiters in rendering the questioned decision, award or order;  
40  
41 (b) If the decision, order or award was secured through fraud, coercion including  
42 graft and corruption;  
43  
44 (c) If the appeal is made purely on questions of law; and  
45  
46 (d) If serious errors in the finding of facts are raised, which errors would cause  
47 grave or irreparable damage or injury to the appellant.  
48



1 Decision of the Commission shall be appealed to the Court of Appeals by way of a  
2 Petition for Review within fifteen (15) calendar days from notice of judgment, award  
3 or order sought to be appealed, pursuant to Rule 43 of the Rules of Court.  
4

5 **SECTION 26. PROHIBITION AGAINST RESTRAINING ORDER OR INJUNCTION.**

6 No court of the Philippines, except the Court of Appeals and the Supreme Court,  
7 shall have jurisdiction to issue any restraining order or writ of preliminary injunction  
8 or permanent injunction against the Commission or its arbiters in any application,  
9 implementation, enforcement or interpretation of the Act and other pertinent laws on  
10 housing and on just humane eviction or demolition procedures.  
11

12 **SECTION 27. PENDING CASES.** All cases pending in regular courts arising from or  
13 in connection with the implementation of pertinent laws on housing and on just and  
14 humane eviction and demolition procedures, shall continue to be heard, tried and  
15 decided to their finality by such courts.  
16

17 **SECTION 28. ATTACHED AGENCIES AND CORPORATIONS.** The following  
18 agencies and corporations shall be attached to the Department for policy and  
19 program coordination, monitoring and evaluation:  
20

- 21 (a) National Housing Authority (NHA);
- 22
- 23 (b) Home Guaranty Corporation (HGC);
- 24
- 25 (c) National Home Mortgage Finance Corporation (NHMFC);
- 26
- 27 (d) Home Development Mutual Fund (HDMF);
- 28
- 29 (e) Social Housing Finance Corporation (SHFC); and
- 30
- 31 (f) Human Settlement Adjudicatory Commission (HSAC).  
32

33 All these agencies shall continue to function according to existing laws and their  
34 respective charters. However, each of the heads of the attached agencies shall enter  
35 into a performance contract annually with the Secretary. Such contracts shall  
36 embody the national targets on housing and urban development and shall include  
37 the over all administration of the agency and the streaming of personnel for effective  
38 and efficient service.  
39

40 The reorganization, merger, streamlining, abolition or privatization of any attached  
41 GOCCs shall be in consultation with the department and the GOCC concerned. The  
42 appointment of the Board of Directors of the attached GOCCs shall be in accordance  
43 with Republic Act No. 10149, otherwise known as the GOCC Governance Act of  
44 2011.  
45

46 The Secretary shall convene a regular meeting with these agencies to ensure that  
47 the efforts of these agencies and the plans of the Department are synchronized and  
48 to prevent duplication of efforts.  
49



1 **SECTION 29. NATURE OF ATTACHMENT.** Notwithstanding the specific provisions  
2 of the respective charters of the attached agencies to the Department, the Secretary  
3 shall be elected as Chairperson of the governing boards of the NHA, HDMF,  
4 NHMFC, SHFC and HGC.

5  
6 **SECTION 30. COORDINATION AND PARTNERSHIP WITH OTHER AGENCIES.**

7 The Department shall closely coordinate with various government agencies in  
8 performing its mandate to ensure that housing and resettlement plans are  
9 comprehensive and holistic, such as, but not limited to,

- 10  
11 (a) The Department of Trade and Industry, to ensure that resettlement  
12 communities with respect to livelihood programs;  
13  
14 (b) The Department of Education, to ensure that there are nearby schools in  
15 relocation sites;  
16  
17 (c) The Department of Social Welfare and Development, to ensure that the plight  
18 of the poor is addressed; and  
19  
20 (d) The Technical Education and Services Development Authority, to ensure that  
21 the citizens shall have the necessary skills.

22  
23  
24 **SECTION 31. SOCIAL HOUSING ONE-STOP PROCESSING CENTERS**

25 **(SHOPCs).** The Department shall establish SHOPCs in the regions, which shall  
26 centralize the processing and issuance of all required housing related permits,  
27 clearances and licenses in accordance with Executive Order No. 45, series of 2001  
28 entitled "Prescribing Time Periods for Issuance of Housing Related Certifications,  
29 Clearances and Permits, and Imposing Sanctions for Failure to Observe the Same";  
30 *provided that*, for the foregoing purpose, the respective ceilings for socialized, low  
31 cost/ economic and middle income housing shall be jointly determined by the  
32 Department and the National Economic Development Authority (NEDA); *provided*  
33 *further*, that at any time, but not more than once every two (2) years, such ceilings  
34 may be reviewed or revised to conform to prevailing economic conditions. All  
35 agencies involved in the issuance of said permits, clearances and licenses shall be  
36 represented in the SHOPC and shall assign to SHOPC regional centers personnel  
37 who shall be sufficiently authorized to process and issue the same.

38  
39 **SECTION 32. IDENTIFICATION AND DESIGNATION OF LANDS FOR HOUSING**  
40 **AND URBAN AND RURAL DEVELOPMENT.**

41 For the purpose of designating lands  
42 for housing and urban and rural development, the Department, Department of  
43 Environmental and Natural Resources (DENR), Department of Agrarian Reform  
44 (DAR), and Department of Agriculture (DA) shall, within one hundred eighty (180)  
45 days from effectivity of this Act, jointly identify agricultural lands which under  
46 Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform  
47 Law and other existing rules and regulations are already exempted from conversion  
48 requirements; *provided that*, the list shall exclude lands that are declared as non-  
49 negotiable or protected from conversion under existing laws and issuances and  
50 those lands covered under Republic Act No. 6657; *provided further*, that the  
designation of lands for housing and urban development purposes shall neither



1 prejudice the rights of qualified beneficiaries under Republic Act No. 6657, nor  
2 undermine the protected agricultural areas intended to ensure the attainment of food  
3 security under Republic Act No. 8435, otherwise known as the Agricultural and  
4 Fisheries Modernization Act of 1997 (AFMA) and other existing laws; *provided*  
5 *further*, that in the case of lands exempted from conversion duly approved by the  
6 DAR and contested by an affected individual or community beneficiaries, horizontal  
7 or vertical development shall not proceed without any prior clearance or approval  
8 from the DAR or the DA consistent with the terms of approved order or conversion;  
9 *provided finally*, that all idle government lands in highly urbanized cities are hereby  
10 prioritized for housing and urban development purposes.

11  
12 **SECTION 33. ABSORPTION OF EMPLOYEES OF THE CONSOLIDATED**  
13 **AGENCIES.** The existing civil servants of HUDCC and HLURB shall enjoy security  
14 of tenure and shall be absorbed by the Department in accordance with their staffing  
15 patterns and the selection process as prescribed under Republic Act No. 6656 on  
16 the rules on government reorganization, unless the civil servant wants to avail of  
17 Section 35 hereof.

18  
19 **SECTION 34. TRANSFER OF ASSETS AND OBLIGATIONS.** The following actions  
20 shall be implemented within six (6) months from the effectivity of this Act:

- 21  
22 (a) The assets, equipment, funds, records and personnel, equipment, properties,  
23 transactions of HUDCC and HLURB shall be transferred to the Department  
24 and the Commission; and  
25  
26 (b) The Department and the Commission shall cause the creation of additional  
27 positions and augment their budget appropriations, as may be necessary.  
28

29 **SECTION 35. TRANSITION PERIOD.** All transfer of functions, assets, funds,  
30 personnel, equipment, properties, transactions and personnel in the affected national  
31 government agencies and the formulation and implementation of the internal organic  
32 structures, staffing patterns, operations systems, and revised budgets of the  
33 Department and the Department and the Commission, shall be completed within six  
34 (6) months from the effectivity of this Act, during which existing personnel shall  
35 continue to assume their posts in holdover capacities until new appointments are  
36 issued.  
37

38 **SECTION 36. SEPARATION FROM THE SERVICE.** Employees separated and/or  
39 phased out from the service as a result of the consolidation and/or reorganization  
40 under the provisions of this Act shall within one (1) month from their separation  
41 and/or phase out from the service, receive separation benefits in accordance with  
42 existing laws. In addition, those who are qualified to retire shall be allowed to retire  
43 and be entitled to all benefits provided under any of the existing retirement laws.  
44

45 **SECTION 37. TRANSFER OF FUNCTIONS.** The following functions shall be  
46 transferred:

- 47  
48 (a) The regulatory function of the HLURB, including the formulation, promulgation  
49 and enforcement of rules, standards and guidelines are hereby transferred to  
50 the Department;



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

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

**SECTION 38. ABOLITION OF THE HUDCC.** The HUDCC shall be abolished. The Department shall, by virtue of this Act, be subrogated to all rights and assume all the liabilities of the HUDCC and HLURB, except those that may hereafter be transferred to or absorbed by the Commission.

**SECTION 39. FORMULATION OF IMPLEMENTING RULES AND REGULATIONS.** The Secretary shall prepare and issue the implementing rules and regulations of the Department within sixty (60) days upon the effectivity of this Act.

**SECTION 40. IMPLEMENTING AUTHORITY.** The Secretary shall be authorized to undertake the implementation of this Act and implement the necessary organizational changes within the specified six (6) month transition period.

**SECTION 41. FUNDING.** The amount necessary for the initial implementation of the provisions of this Act shall be charged against the current year's appropriations of the HUDCC and HLURB. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act (GAA).

**SECTION 42. 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.

**SECTION 43. 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.

**SECTION 44. SEPARABILITY CLAUSE.** If, for any reasons, any portion or provisions of this Act shall be unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SECTION 45. EFFECTIVITY.** This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

Approved.