



SENATE

S. No. 1578

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PREPARED AND SUBMITTED JOINTLY BY THE COMMITTEES  
ON URBAN PLANNING, HOUSING AND RESETTLEMENT;  
CIVIL SERVICE, GOVERNMENT REORGANIZATION AND  
PROFESSIONAL REGULATION; AND FINANCE WITH  
SENATORS LEGARDA, DRILON, EJERCITO, PACQUIAO,  
BINAY, ANGARA, VILLANUEVA, GATCHALIAN, TRILLANES  
IV, ZUBIRI, ESCUDERO, HONTIVEROS AND POE AS  
AUTHORS THEREOF

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

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

1

CHAPTER I

2

TITLE, VISION AND POLICIES

3

SECTION 1. *Title.* – This Act shall be known as the

4

“Department of Human Settlements and Urban

5

Development Act of 2017”.

1        SEC. 2. *Declaration of Policies.* – The State shall,  
2        pursuant to Section 9, Article XIII of the Constitution,  
3        ensure that underprivileged and homeless citizens have  
4        access to an adequate, safe, secure, habitable, sustainable,  
5        resilient and affordable home. In the implementation of  
6        such program, the State shall respect the rights of all  
7        property owners.

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

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

## 6 DEFINITION OF TERMS

7        SEC. 3. *Definition of Terms.* – As used in this Act, the  
8        following terms are defined as follows:

9           (a) *Abandoned subdivision or condominium* refers to  
10 a project whose development has not been completed in  
11 accordance with the approved development plan despite  
12 the lapse of at least ten (10) years from the target date of  
13 completion and it appears that said project owner or  
14 developer has no intention to complete the project  
15 development or, despite diligent effort for at least the last  
16 five (5) years, the project owner or developer cannot be  
17 located.

(b) *Housing* refers to a multi-dimensional concept relating to the process of residing and the objects of dwelling whose main attributes are location relative to

1 access to livelihood, tenure arrangements, cost and  
2 physical structure, as well as their environment. Housing  
3 is likewise a physical structure as well as a social  
4 structure, functioning at different spatial scales from  
5 homes, neighborhoods, communities, municipalities, cities,  
6 provinces, and regions. It is also a sector of the economy,  
7 an important category of land use in both urban and rural  
8 areas, especially in cities, and is an important factor in the  
9 overall dynamics of the urban system.

10 (c) *Human settlements* comprise of (a) physical  
11 components of shelter and infrastructure; and (b) services  
12 to which the physical elements provide support, such as  
13 community services which includes education, health,  
14 culture, welfare, recreation and nutrition

15 (d) *Comprehensive Land Use Plan (CLUP)* refers to  
16 the document, formulated by the local government in  
17 consultation with its stakeholders, that defines or provides  
18 guidelines on the allocation, utilization, development and  
19 management of all lands within a given territory or  
20 jurisdiction according to the inherent qualities of the land



1    itself and supportive economic, demographic, socio-cultural  
2    and environmental objectives.

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

11          (f) *Urban Development Planning* refers to the  
12   process that involves the planning of diverse elements that  
13   comprise an urbanizing and urbanized area, including its  
14   physical    infrastructure,    environment,    housing,  
15   transportation and management of land use and urban  
16   growth.

### 17                                   CHAPTER III

#### 18           DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN

#### 19           DEVELOPMENT

1        SEC. 4. *Creation and Mandates of the Department of*  
2        *Human Settlements and Urban Development.* – There is  
3        hereby created the Department of the Human Settlements  
4        and Urban Development (DHSUD), hereinafter referred to  
5        as the Department, through the consolidation of the  
6        Housing and Urban Development Coordinating Council  
7        (HUDCC) and the Housing and Land Use Regulatory  
8        Board (HLURB).

9        The Department shall act as primary national  
10       government entity responsible for the management of  
11       housing, human settlements and urban development. It  
12       shall be the sole planning and policy-making, regulatory,  
13       program coordination, and performance monitoring,  
14       adjudicating entity for all housing, human settlement and  
15       urban development concerns, primary focusing on the  
16       access to and affordability of the basic human needs.

17       SEC. 5. *Powers and Functions.* – The Department  
18       shall exercise the following powers and functions:

19       I. Policy Development, Coordination, Monitoring and  
20       Evaluation

1           (a) Formulate a national housing and urban  
2 development policies, strategies and standards that are  
3 consistent with the Philippine Development Plan to  
4 promote social and economic welfare, in coordination and  
5 in consultation with national and local stakeholders, local  
6 government units (LGUs), and other government agencies.

7           (b) Formulate housing finance policies, recommend  
8 and facilitate the development of mechanisms that  
9 promote the establishment of a self-sustaining housing  
10 finance system in coordination with the relevant agencies.

11           (c) Formulate housing policies and programs, in  
12 coordination with Key Shelter Agencies (KSAs), for  
13 homeless families, particularly the poor, underprivileged,  
14 and informal settler families.

15           (d) Conduct continuing and comprehensive studies  
16 and research necessary for housing and urban  
17 development.

18           (e) Formulate a framework for resilient housing and  
19 human settlements as a basis for the mechanisms for post-  
20 disaster housing and resiliency planning, research and

1 development, extension, monitoring and evaluation of  
2 programs, projects and activities to protect vulnerable  
3 communities from the adverse effects of climate change  
4 and disasters.

5 (f) In the exercise of its oversight functions, develop  
6 and establish a sector performance monitoring and  
7 assessment mechanism to accurately and independently  
8 report on the performance of national government agencies  
9 and LGUs involved in the housing and urban development.

10 II. Environmental, Land Use and Urban Planning  
11 and Development

12 (a) Develop and maintain a shelter and urban  
13 development management, standards and monitoring  
14 information system which shall include but not be limited  
15 to the following data sets: inventory of idle lands,  
16 comprehensive land use plans, inventory of housing stocks,  
17 and list of beneficiaries: *Provided*, That notwithstanding  
18 this provision, all existing Comprehensive Land Use Plans  
19 (CLUPs) duly approved and being implemented by the  
20 LGUs shall remain in full force and effect for the duration

1 of the period as stated therein: *Provided, further, That*  
2 upon enactment of this law, LGUs may improve, amend  
3 and enhance their existing CLUPs in accordance with the  
4 standards set by the Department.

5 (b) Provide technical assistance to provinces, cities  
6 and municipalities in building their capability to  
7 undertake housing and urban development and  
8 management, such as but not limited to: creating a Local  
9 Housing Board (LHB) or similar entity; developing a  
10 Comprehensive Land Use Plans (CLUPs) and Local  
11 Shelter Plans (LSPs); and strengthening local government  
12 compliance with housing and urban development laws,  
13 standards and guidelines.

14 (c) Assist the LGUs in the establishment of a Special  
15 Housing Fund (SHF) which shall be exclusively used for  
16 new settlement projects, and other housing, urban  
17 development and renewal projects.

18 III. Housing and Real Estate Development  
19 Regulation

1           (a) Develop mechanisms and implement programs for  
2 establishing new settlements focused on socialized and  
3 economic housing, urban renewal programs, and  
4 prototypes of housing and urban development  
5 interventions, in coordination with KSAs, LGUs, local  
6 communities affected, civil society organizations,  
7 nongovernment organizations, and other relevant  
8 stakeholders.

9           (b) Manage and oversee the development of  
10 proclaimed socialized and economic housing sites,  
11 including the use of these land assets as resource  
12 mobilization strategy to raise alternative resources in  
13 developing new housing projects and efficient financing  
14 programs, either by itself or through its attached.

15           (c) Implement a single regulatory system that shall  
16 govern all activities relative to the planning, production,  
17 marketing, and management of housing and urban  
18 development projects.

19           (d) Take over unfinished, incomplete or abandoned  
20 licensed real estate development projects under



1 Presidential Decree No. 957, in coordination with the  
2 appropriate government agencies and instrumentalities,  
3 under such guidelines as may be formulated. Further, the  
4 Department shall be in charge of the regulating use of road  
5 and street systems of projects taken-over under this  
6 provisions.

7 IV. Homeowners Association and Community  
8 Development

9 (a) Register, regulate and supervise the  
10 Homeowners Associations (HOAs) and Condominium Units  
11 Owners Associations/Corporations (CUONCs) and other  
12 housing development associations.

13 (b) Provide technical assistance to encourage  
14 housing cooperatives and civil society organizations to  
15 serve as the implementing agencies of their housing and  
16 urban development programs.

17 (c) Promote and encourage partnerships between  
18 the government and private sector for the provision of  
19 decent housing, suitable living environment, and expanded

1 economic opportunities for low and moderate income  
2 persons.

3 (d) Effect and oversee a single regulatory system  
4 that shall govern all activities relative to the planning,  
5 development, production, marketing, and management of  
6 housing and urban development projects, without  
7 encroaching on the jurisdiction of other agencies.

#### 8 V. General Powers

9 (a) Enter into contracts, joint venture agreements or  
10 understanding, public-private partnerships, and  
11 memoranda of agreement or understanding, either  
12 domestic or foreign, under such terms and conditions as  
13 the Department may deem proper and reasonable subject  
14 to existing laws.

15 (b) Discharge all responsibilities of government that  
16 may arise from treaties, agreements and other  
17 commitments on human settlement and urban  
18 development to be extended through bilateral or  
19 multilateral loans and/or assistance programs.

1           (c) Receive, take and hold by bequest, device, gift,  
2     purchase or lease, either absolutely or in trust for any of its  
3     purposes from foreign and domestic sources, any asset,  
4     grant or property, real or personal, subject to such  
5     limitations provided under existing laws and regulations.

6           (d) Promote, accredit and regulate the use of  
7     indigenous material and technologies in the housing  
8     construction.

9           (e) Implement prototype projects in housing and  
10    urban development undertakings, with the right to  
11    exercise the power of eminent domain, when necessary.

12          (f) Determine, fix and collect reasonable amounts to  
13    be charged as fees and charges necessary for the effective  
14    implementation of all laws, rules and regulations enforced  
15    by the Department and impose reasonable fines and  
16    penalties for violation thereof: *Provided, however,* That all  
17    income generated from fees, fines, charges, and other  
18    collections shall be deposited with the National Treasury  
19    as income of the general fund.

1           (g) Recommend new legislation and amendments to  
2 existing laws as maybe necessary for the attainment of  
3 government's objectives in housing.

4           (h) Perform such other related functions as may be  
5 mandated by law.

6           SEC. 6. *Composition.* – The Department shall be  
7 composed of the Office of the Secretary, and the various  
8 bureaus, services and regional offices. The Office of the  
9 Secretary shall house the Office of the Department  
10 Secretary, the Offices of the Undersecretaries, the Offices  
11 of the Assistant Secretaries, and their immediate support  
12 staff.

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

15           (a) Advise the President of the Philippines on  
16 matters related to housing, human settlements, and rural  
17 and urban development;

18           (b) Establish policies and standards for the efficient  
19 and effective operations of the Department in accordance  
20 with programs of the government;

1           (c) Promulgate rules, regulations and other  
2     issuances necessary in carrying out the Department's  
3     mandate, objectives, policies, plans, programs and projects;

4           (d) Exercise disciplinary powers over officers and  
5     employees of the Department in accordance with law,  
6     including their investigation and the designation of a  
7     committee or officer to conduct such investigation;

8           (e) Designate and appoint officers and employees of  
9     the Department, excluding the undersecretaries, assistant  
10    secretaries, and regional and assistant regional directors,  
11    in accordance with the civil service laws, rules and  
12    regulations;

13          (f) Coordinate with other agencies and  
14    instrumentalities of the government to ensure the effective  
15    and efficient implementation of housing and urban  
16    development programs;

17          (g) Formulate such rules and regulations and  
18    exercise such other powers as may be required to  
19    implement the objectives of this Act; and

1           (h) Perform such other function as may be provided  
2 by law or assigned by the President.

3           The Secretary shall also serve as a voting member of  
4 the National Economic and Development Authority  
5 (NEDA) Board, the governing Boards of the Climate  
6 Change Commission (CCC), the National Disaster Risk  
7 Reduction Management Council (NDRRMC), and the  
8 National Land Use Committee (NLUC).

9           SEC. 8. *The Undersecretaries and Assistant Secretaries.*

10       – The Secretary shall be assisted by three (3)  
11 Undersecretaries and three (3) Assistant Secretaries, who  
12 shall be appointed by the President, upon the  
13 recommendation of the Secretary: *Provided*, That the  
14 Undersecretaries and Assistant Secretaries shall be career  
15 officers. They shall have the powers and functions as  
16 provided for in Chapter 2, Book IV of the Administrative  
17 Code of 1987. The Secretary is further authorized to  
18 delineate and assign other functional areas or  
19 responsibility of the Undersecretaries and Assistant  
20 Secretaries.



1           SEC. 9. *Qualifications.* – No person shall be appointed  
2   Secretary, Undersecretary and Assistant Secretary of the  
3   Department unless he or she is a citizen and resident of  
4   the Philippines, of good moral character, of proven  
5   integrity, competence and expertise in housing, urban  
6   planning and development.

7           SEC. 10. *Department Bureaus and Regional Offices.* –  
8   The Department shall establish, operate, and maintain  
9   Bureaus under it such as, but not limited to:

10           (a) Environmental, Land Use and Urban Planning  
11   and Development;

12           (b) Housing and Real Estate Development  
13   Regulation; and

14           (c) Homeowners Associations and Community  
15   Development.

16           As may be necessary, a regional office may be  
17   established in the administrative regions of the country. In  
18   addition to the existing functions of the regional offices of  
19   the HUDCC and HLURB, the regional offices shall perform

1 such other functions as may be provided by law or assigned  
2 by the Secretary.

3 SEC. 11. *Structure and Staffing Pattern.* – Subject to  
4 the approval of the Department of Budget and  
5 Management (DBM), the Department shall determine its  
6 organizational structure and create new divisions or units  
7 as it may deem necessary, and shall appoint officers and  
8 employees of the Department in accordance with the civil  
9 service laws, rules and regulations. The remuneration  
10 structure of the positions in the staffing pattern shall  
11 strictly conform to Republic Act No. 6758 or the Salary  
12 Standardization Law, as amended.

#### 13 CHAPTER IV

#### 14 HUMAN SETTLEMENTS ADJUDICATION COMMISSION

15 SEC. 12. *Reconstitution of the HLURB as the Human*  
16 *Settlements Adjudication Commission (HSAC).* – The  
17 HLURB is hereby reconstituted and shall henceforth be  
18 known as the Human Settlements Adjudication  
19 Commission, hereinafter referred to as the “Commission”.

1           The adjudicatory function of the HLURB is hereby  
2 transferred to the Commission and shall be attached to the  
3 Department for policy, planning and program coordination  
4 only.

5           SEC. 13. *Composition.* – The Commission shall be  
6 composed of the following:

7           (a) Commission *en banc* – Five (5) Commissioners  
8 appointed by the President shall comprise the  
9 Commission.

10          The Executive Commissioner, chosen by the  
11 President from among the five (5) Commissioners, shall be  
12 responsible for the administration and operations of the  
13 Commission, including the supervision of personnel, and  
14 shall be assisted by the Executive Clerk of the  
15 Commission.

16          (b) Regional Adjudication Branch – There shall be as  
17 many Regional Adjudication Branches as there are  
18 Regional Offices of the Department. The President shall  
19 appoint as many Regional Adjudicators as may be

1 necessary upon the recommendation of the Secretary. The  
2 remuneration structure of the positions in the staffing  
3 pattern shall be subject to the approval of the DBM and  
4 strictly conform to Republic Act No. 6758 or the Salary  
5 Standardization Law, as amended.

6 SEC. 14. *Qualifications, Terms of Office and*  
7 *Compensation.* – The qualifications, terms of office and  
8 compensation are as follows:

9 (a) Commissioners – Commissioners must be  
10 natural born citizens of the Philippines, of good moral  
11 characters and have been engaged in the practice of law  
12 and a member of the Philippine Bar of good standing for a  
13 period of at least ten (10) years prior to the appointment:  
14 *Provided, That* two (2) Commissioners shall be nominees of  
15 the planning sector, one (1) nominee of the urban poor, and  
16 homeowners' associations; and two (2) shall be nominees of  
17 the real estate development industry, *Provided, further,*  
18 That all nominees shall have experience in urban  
19 development planning, sustainable development, climate

1 change adaptation, disaster risk reduction and/ or real  
2 estate development.

3 The Commissioners shall hold office during good  
4 behavior until they reach the age of sixty-five years, unless sooner  
5 removed for cause as provided by law or become incapacitated to  
6 discharge the duties of their office.

7 (b) Regional Adjudicators – Regional Adjudicators  
8 must be citizens of the Philippines, of good moral  
9 character, have been in the practice of law and member of  
10 the Philippine Bar of good standing for at least seven (7)  
11 years, with at least three (3) years' experience in realty  
12 and/or land use and development cases, prior to the  
13 appointment: *Provided*, That the existing HLURB Arbiters  
14 are deemed qualified.

15 The Regional Adjudicators shall hold office on good  
16 behavior until otherwise incapacitated or have reached the  
17 retirement age in accordance with law, rules and  
18 regulations promulgated by duly constituted authorities,  
19 whichever comes earlier.

1           The Regional Executive Adjudicator and Regional  
2   Adjudicator shall receive annual salaries equivalent to  
3   Director III and Director II, respectively.

4           SEC. 15. *Jurisdiction of the Commission and the*  
5   *Secretary.* – The Commission shall have the exclusive  
6   appellate jurisdiction over all cases decided by the  
7   Regional Adjudicators. The decision of the Commission  
8   shall be final and executory after fifteen (15) calendar days  
9   from receipt thereof by the parties.

10          The Secretary may assume jurisdiction over any  
11   complaint or case and decide the same or certify such case  
12   for decision to the Commission if the controversy involves  
13   massive real estate fraud or unsound business practices of  
14   critical socio-economic or environmental considerations  
15   that may have serious potential impact on the interests of  
16   the sector or the general welfare.

17          SEC. 16. *Jurisdiction of Regional Adjudicators.* – The  
18   Regional Adjudicators shall exercise original and exclusive  
19   jurisdiction to hear and decide cases involving the  
20   following:



1           (a) Cases involving housing, land use and urban  
2 development:

3           (1) Appeals from decisions of local and regional  
4 planning and zoning bodies;

5           (2) Suits filed in opposition to the issuance of  
6 locational clearances, certifications or permits, when  
7 issued by the Department;

8           (3) Disputes involving the implementation of the  
9 Balanced Housing Act and violations of the administrative  
10 rules and regulations implementing Section 18 of Republic  
11 Act No. 7279, as amended.

12          (b) Cases involving subdivisions, condominiums,  
13 memorial parks and similar real estate developments

14          (1) Actions concerning unsound real estate  
15 business practices filed by buyers or homeowners against  
16 the project owner or developer which caused extreme  
17 prejudice to the buyers or committed with utter bad faith  
18 and blatant disregard to the buyers' rights;

19          (2) Claims for refund, and other claims filed by  
20 subdivision lot or condominium unit buyer against the

1 project owner, developer, dealer, broker or salesman:  
2 *Provided*, That when the cause of action arises from the  
3 buyer's rights under Section 23 of Presidential Decree No.  
4 957 and the purchase price of the property is paid through  
5 a housing loan from a bank or other financing institutions,  
6 the latter shall be impleaded as necessary party;

7 (3) Cases involving specific performance or  
8 contractual and statutory obligations arising from the sale  
9 of the lot or unit and development of the subdivision or  
10 condominium project;

11 (4) Disputes involving the open spaces or common  
12 areas and their use filed by the project owner or developer  
13 or the duly registered homeowners association including  
14 the eviction of informal settlers therein, in accordance with  
15 the requirements of law, and the rules and regulations  
16 promulgated by duly constituted authorities;

17 (5) Suits to declare subdivision, condominium or other  
18 real estate developments within the regulatory jurisdiction  
19 of the Department as abandoned as defined under Section

1 3 of this Act for the purpose of Section 35 of Presidential  
2 Decree No. 957;

3 (6) Disputes involving easements within or among  
4 subdivision projects; and

5 (7) Actions to annul mortgages executed in violation  
6 of Section 18 of Presidential Decree No. 957 filed by a  
7 subdivision lot or condominium unit buyer against the  
8 project owner and/or developer and the mortgagee.

9 (c) Cases involving Homeowners Associations

10 (1) Controversies involving the registration and  
11 regulation of homeowners associations;

12 (2) Intra-association disputes or controversies  
13 arising out of the relations between and among members of  
14 homeowners associations; between any or all of them and  
15 the homeowners association of which they are members;

16 (3) Inter-association disputes or controversies arising  
17 out of the relations between and among two or more  
18 homeowners associations between and among federations  
19 and other umbrella organizations, on matters pertaining to  
20 the exercise of their rights, duties and functions;

1           (4) Disputes between such homeowners association and  
2     the State, insofar as it concerns their individual franchise  
3     or right to exist and those which are intrinsically  
4     connected with the regulation of homeowners associations  
5     or dealing with the internal affairs of such entity;

6           d) Disputes or controversies involving laws being  
7     implemented by the Department except those cases falling  
8     within the jurisdiction of other judicial or quasi-judicial  
9     body.

10          SEC. 17. *Appeals.* – Decisions, awards, or orders of the  
11     Regional Adjudicators shall be final and executory unless  
12     appealed to the Commission within fifteen (15) calendar  
13     days from receipt of such decisions, awards, or orders.

14          The decision of the Commission upon any disputed  
15     matter may be brought upon to the Court of Appeals in  
16     accordance with Rule 43 of the Rules of Court.

17          SEC. 18. *Prohibition Against Injunctive Relief.* – No  
18     Court, except the Supreme Court, shall issue any temporary  
19     restraining order or writ of preliminary injunction or  
20     permanent injunction against any decisions and orders of

1 the Commission or its Regional Adjudicators in any  
2 application, implementation, enforcement, or  
3 interpretation of this Act and other pertinent laws on  
4 housing and on just and humane eviction or demolition  
5 procedures.

6 SEC. 19. *Execution of Decisions, Orders or Awards.* -

7 The Secretary or any Regional Director, the Commission or  
8 any Regional Adjudicator, may *motu proprio* or on motion of  
9 any interested party and under such rules as may be duly  
10 promulgated, issue a writ of execution on an order, award  
11 or judgment within five (5) years from the date it becomes  
12 final and executory, and by independent action for the  
13 enforcement of the order, award or decision filed with the  
14 Regional Adjudication Branch which issued the order,  
15 award or decision.

16 The Commission shall appoint a Sheriff or such  
17 number of Sheriffs, in accordance with the provisions of  
18 the civil service law, rules and regulations, who shall be  
19 responsible for the service and execution of all writs,

1 summonses, and orders and other processes of the  
2 Commission.

3 The Secretary, Commissioners or the Regional  
4 Executive Adjudicator may designate special sheriffs and  
5 take any measure under existing laws to ensure  
6 compliance with their decisions, orders or awards and  
7 those of the Regional Directors and Regional Adjudicators,  
8 including the imposition of administrative fines.

9 SEC. 20. *Powers and Authorities of the Commission.* —

10 The Commission shall have the power and authority:

11 (a) To promulgate rules and regulations governing  
12 the hearing and disposition of cases before it and its  
13 Arbiters, as well as those necessary to carry out its  
14 functions;

15 (b) To administer oaths, summon the parties to a  
16 controversy, issue *subpoenas* requiring the attendance and  
17 testimony of witnesses or the production of such books,  
18 papers, contracts, records, statement of accounts,  
19 agreements, and others as may be material to a just  
20 determination of the case; and



1           (c) To hold any person in contempt directly or  
2 indirectly and impose appropriate penalties therefor in  
3 accordance with law.

4           Any person committing any act of misbehavior in the  
5 presence of or so near any member of the Commission or  
6 any Arbiter as to obstruct or interrupt the proceedings  
7 before the same, including disrespect toward said officials,  
8 offensive acts toward others, or refusal to be sworn, or to  
9 answer as a witness or to subscribe an affidavit or  
10 deposition when lawfully required to do so, may be  
11 summarily adjudged guilty of direct contempt by said  
12 officials and shall be punished by a fine not exceeding Five  
13 thousand pesos (P5,000.00) or imprisonment not exceeding  
14 five (5) days, or both if it be committed against the  
15 Commission or any member thereof; and, if the offense is  
16 committed against an Arbiter, it shall be punishable by a  
17 fine not exceeding One thousand pesos (P1,000.00) or  
18 imprisonment not exceeding one (1) day, or both.

19           The person adjudged in direct contempt by the  
20 Arbiter may appeal to the Commission and the execution of

1 the judgment shall be suspended pending the resolution of  
2 the appeal upon the filing by such person of a bond on  
3 condition that he/she will abide by and perform the  
4 judgment of the Commission should the appeal be decided  
5 against him/ her. Judgment of the Commission on direct  
6 contempt is immediately executory and unappealable.  
7 Indirect contempt shall be dealt with by the Commission or  
8 Arbiter in the manner prescribed under Rule 71 of the  
9 Revised Rules of Court (ROC).

10 (d) To enjoin or restrain, after due notice and  
11 hearing, any actual or threatened commission of any or all  
12 prohibited or unlawful acts or to require the performance  
13 of a particular act in any dispute within its jurisdiction  
14 which, if not restrained or performed forthwith, may cause  
15 grave or irreparable damage to any party or render  
16 ineffectual any decision in favor of such party. In no case  
17 shall a temporary or permanent injunction be issued  
18 except after a finding of fact by the Commission, to the  
19 effect that:

1           (1) Prohibited or unlawful acts have been threatened  
2 and will be committed and will be continued unless  
3 restrained, but no injunction or temporary restraining  
4 order shall be issued on account of any threat, prohibited  
5 or unlawful act, except against the person or persons,  
6 association or organization making the threat or  
7 committing the prohibited or unlawful act or actually  
8 authorizing or ratifying the same after actual knowledge  
9 thereof;

10           (2) Substantial and irreparable injury to  
11 complainant's property will follow;

12           (3) As to each item of relief to be granted, greater  
13 injury will be inflicted upon complainant by the denial of  
14 relief than will be inflicted upon defendants by the  
15 granting of relief;

16           (4) Complainant has no adequate remedy at law;  
17 and,

18           (5) Public officers charged with the duty to protect  
19 complainant's property are unable or unwilling to furnish  
20 adequate protection.

(e) To exercise such other powers as are implied,  
necessary, or incidental to carry out the express powers  
granted to the Commission.

SEC. 21. *Criminal Prosecution.* – The criminal prosecution for violation of housing laws and regulations shall be instituted before criminal courts having appropriate jurisdiction.

## CHAPTER V

## NATIONAL SHELTER BOARD

SEC. 22. *Creation of a National Shelter Board.* – The corporate powers and functions of the attached agencies shall be exercised by a single Board of Trustees, known as the National Shelter Board, hereinafter referred to as Board, composed of the following:

(a) The Secretary of Human Settlements and Urban Development, as the ex officio Chairman;

(b) The Director General of National Economic  
Development Authority or his/her designated Deputy  
Secretary General, as ex officio member;

1           (c) The Secretary of Finance or his/her duly  
2 designated Undersecretary, as ex officio member;

3           (d) The Secretary of Budget and Management or  
4 his/her duly designated Undersecretary, as ex officio  
5 member;

6           (e) The Secretary of Department of Public Works  
7 and Highways or his/her duly designated Undersecretary,  
8 as ex officio member;

9           (f) The Secretary of the Interior and Local  
10 Government or his/her duly designated Undersecretary, as  
11 ex officio member;

12           (g) The Heads of all attached agencies of the  
13 Department of Human Settlements and Urban  
14 Development, ex officio member;

15           SEC. 23. *Attached Agencies and Corporations.* – The  
16 following agencies and corporations are hereby attached to  
17 the Department for policy and program coordination,  
18 monitoring and evaluation:

19           (a) National Housing Authority (NHA)

20           (b) Home Guaranty Corporation (HGC)

1           (c) National Home Mortgage Finance Corporation  
2 (NHMFC)

3           (d) Home Development Mutual Fund (HDMF)

4           (e) Social Housing Finance Corporation (SHFC)

5           All these agencies shall continue to function  
6 according to existing laws and their respective Charters:  
7 *Provided*, That within two (2) years from the effectivity of  
8 this Act, the Secretary, in coordination with the  
9 Governance Commission for Government-Owned and -  
10 Controlled Corporation (GCG) shall recommend to the  
11 President, the restructuring of the foregoing corporations  
12 guided by the following objectives:

13           (a) To eliminate overlap, if any, in programs, within  
14 and among the attached corporations, that serve the same  
15 beneficiaries or clientele;

16           (b) To identify functions and programs of corporations  
17 that properly belong to regular government agencies such  
18 as policymaking, regulation, standard setting, and service  
19 provision from functions that are imbued with commercial  
20 motives which require a corporate structure, thereafter,



1 line functions shall be transferred to the Department while  
2 commercial functions shall be retained with the  
3 corporations;

4 (c) To clarify the role of each corporation along the  
5 housing value chain, including housing production,  
6 primary financing, secondary market development, and  
7 housing insurance and guarantee to promote the  
8 development of a comprehensive and synergetic housing  
9 industry; and

10 (d) To strengthen integration of functions, programs,  
11 and services among corporations and the Department to  
12 leverage limited public resources and maximize the value  
13 of housing products and services offered by the public  
14 sector.

15 SEC. 24. *Executive Committee.* – To support the Board,  
16 an Executive Committee is hereby created and shall be  
17 composed of the heads of the attached agencies and  
18 corporations. The Secretary, shall sit as the ex officio  
19 Chairman. The functions and authorities of the Executive  
20 Committee shall be defined by the Board.

## CHAPTER VI

## OTHER PROVISIONS

1                   SEC. 25. *Social Housing One- Stop Processing Centers*  
2  
3                   (*SHOPCs*). – The Department shall establish SHOPCs in  
4                   the regions, which shall centralize the processing and  
5                   issuance of all required housing-related permits,  
6                   clearances, and licenses in accordance with Executive  
7                   Order No. 45, series of 2001 entitled “Prescribing Time  
8                   Periods for Issuance of Housing Related Certifications,  
9                   Clearances and Permits, and Imposing Sanctions for  
10                  Failure to Observe the Same”: *Provided*, That for the  
11                  foregoing purpose, the respective ceilings for socialized, low  
12                  cost/economic and middle-income housing shall be jointly  
13                  determined by the Department and NEDA: *Provided*,  
14                  *further*, That at any time, but not more than once every  
15                  two (2) years, such ceilings may be reviewed or revised to  
16                  conform to prevailing economic conditions.  
17

18               All agencies involved in the issuance of said permits,  
19               clearances and licenses shall be represented in the SHOPC  
20               and shall assign to SHOPC regional centers personnel who

1 shall be sufficiently authorized to process and issue the  
2 same.

3       SEC. 26. *Identification and Designation of Lands for*  
4 *Housing and Urban and Rural Development.* – For the  
5 purpose of designating lands for housing and urban and  
6 rural development, the DHSUD, the Department of  
7 Environment and Natural Resources (DENR), the  
8 Department of Agrarian Reform (DAR), the Department of  
9 Agriculture (DA), and the Land Registration Authority  
10 (LRA) shall, within one hundred eighty (180) days from the  
11 effectivity of this Act, jointly identify government lands  
12 suitable for housing and rural development: *Provided, That*  
13 all government lands in highly urbanized cities which have  
14 been idle for more than ten (10) years, except lands owned  
15 by the government-owned and -controlled corporations and  
16 government financial institutions engaged in shelter  
17 financing as part of its fiduciary obligation to its members  
18 and/or are taken possession of in their ordinary conduct of  
19 business, are hereby prioritized for housing and urban  
20 development purposes.

## CHAPTER VII

## TRANSITORY PROVISIONS

SEC. 27. *Abolition and Transfer of Functions and Assets.* – The HUDCC and the HLURB are hereby abolished.

The following functions of the HLURB are hereby transferred as stipulated hereunder:

(a) The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their comprehensive land use plans and zoning ordinances shall be transferred to the Department;

(b) The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments are hereby transferred to the Department;

(c) The registration, regulation and supervision of homeowners associations and condominium corporations are hereby transferred to the Department;

1           (d) The adjudicatory mandate is hereby transferred  
2 to the Commission.

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

7           SEC. 28. *Transition Period.* – All transfer of functions,  
8 assets, funds, personnel, equipment, properties,  
9 transactions, and personnel in the affected national  
10 government agencies and the formulation and  
11 implementation of the internal organic structures, staffing  
12 patterns, operations systems, and revised budgets of the  
13 Department and the Commission, shall be completed  
14 within six (6) months from the effectivity of this Act,  
15 during which existing personnel shall continue to assume  
16 their posts in holdover capacities until new appointments  
17 are issued. Accordingly, all applications for permits and  
18 licenses, and cases pending with HLURB upon the  
19 effectivity of this Act and filed during the transition period  
20 shall continue to be acted upon by the incumbents until the

1 rules and regulations as provided under this Act shall have  
2 been in force.

3 SEC. 29. *Transfer of Assets and Obligations.* – The  
4 following dispositive actions shall be implemented within  
5 six (6) months from the effectivity of this Act:

6 (a) The assets, equipment funds, records, and  
7 pertinent transactions of HUDCC and HLURB shall be  
8 transferred to the Department and the Commission, and;

9 (b) The Department and the Commission shall cause  
10 the creation of additional positions and augment their  
11 budget appropriations, as may be necessary.

12 SEC. 30. *Absorption or Separation from Service of*  
13 *Employees of the Consolidated Agencies.* – The existing  
14 employees of HUDCC and HLURB shall enjoy security of  
15 tenure and shall be absorbed by the Department or the  
16 Commission, in accordance with their staffing patterns and  
17 the selection process as prescribed under Republic Act  
18 No. 6656 on the Rules on Government Reorganization.

19 Employees opting to be separated from the service as  
20 a consequence of the abolition, consolidation and/or



1 reorganization under the provisions of this Act shall within  
2 one (1) month from their separation and/or phase out from  
3 the service, receive separation benefits in accordance with  
4 existing laws. In addition, those who are qualified to retire  
5 shall be allowed to retire and be entitled to all benefits  
6 provided, under any of the existing retirement laws.

7       SEC. 31. *Implementing Rules and Regulations.* – The  
8 HUDCC, HLURB, DBM and Civil Service Commission  
9 (CSC) shall prepare and issue the implementing rules and  
10 regulations (IRR) of the Department within ninety (90)  
11 days upon the effectivity of this Act.

12       SEC. 32. *Implementing Authority.* – The HUDCC  
13 Chairperson is hereby authorized to undertake the  
14 implementation of the provisions of this Act and  
15 implement the necessary organizational changes within  
16 the specified six (6) month transition period or until a  
17 Department Secretary has been appointed and has  
18 assumed office.

19       SEC. 33. *Funding.* – The amount necessary for the  
20 initial implementation of the provisions of this Act shall be

1 charged against the current year's appropriations of the  
2 HUDCC and HLURB. Thereafter, such sums as may be  
3 necessary for the continued implementation of this Act  
4 shall be included in the annual General Appropriations Act  
5 (GAA).

## 6 CHAPTER VIII

### 7 MISCELLANEOUS PROVISIONS

8 SEC. 34. *Mandatory Review of the Implementation of*  
9 *This Act.* – The Department shall conduct and submit a  
10 report to Congress a review of the implementation of this  
11 Act at the end of the third year from the date of its  
12 effectivity.

13 SEC. 35. *Repealing Clause.* – Executive Order No. 90,  
14 Executive Order No. 648 and Executive Order No. 272,  
15 Presidential Decree No. 1344, Presidential Decree No. 757,  
16 Republic Act No. 8763, Presidential Decree No. 1267,  
17 Republic Act No. 9679 and all other laws, executive orders,  
18 proclamations, rules, regulations, and other issuances or  
19 parts thereof which are inconsistent with the provisions of

1 this Act are hereby repealed, amended or modified  
2 accordingly.

3 SEC. 36. *Separability Clause.* – If, for any reasons, any  
4 portion or provisions of this Act shall be held  
5 unconstitutional or invalid, the remaining provisions not  
6 affected thereby shall continue to be in full force and effect.

7 SEC. 37. *Effectivity.* – This Act shall take effect  
8 fifteen (15) days after its complete publication in at least  
9 two (2) national newspapers of general circulation.

Approved,