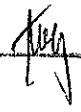


FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

7 JUN 30 P 3:07

SENATE
S. B. No. 181

RECEIVED BY: 

Introduced by **Senator Rodolfo G. Biazon**

EXPLANATORY NOTE

The Constitution, Article 13, Section 9 reads:

“Sec. 9. The State shall, by law, and for 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.”

Since the enactment of Republic Act No. 7279, also known as the Urban Development and Housing Act of 1992, we are still facing a worsening problem of urban blight and homelessness in the country. At present, we have an estimated housing backlog of around three (3) to four (4) million housing units. The problem does not end here.


While we face a huge housing backlog, it is ironic that there are government housing units that remain unoccupied to this day. While many of our poor countrymen continue to suffer homelessness, we have thousands of housing units lying idle. These idle government assets were acquired with the people’s money and represent wastage of scarce government resources.

Our country is also facing a problem of urban blight where many areas need urban renewal. This situation is highly visible especially in some old government resettlement or housing projects.

According to the University of the Philippines School of Urban and Regional Planning (UP SURP), the above-stated problem is due to the confusing state set-up of our housing bureaucracy. It said, “*The existing institutional set-up for housing and urban development is complex and is characterized by overlapping functions, mandates and programs of the agencies involved.*”

This bill proposes to create a Department of Housing and Urban Development that is envisioned to put direction and order in the housing sector. It shall be the primary government agency that will facilitate and ensure the availability of affordable housing to our people, especially those who need it most. By creating a full time Department for housing and urban development matters, the proposed measure seeks to integrate all housing and urban development policies, plans, programs and projects to expedite the delivery of decent, affordable and sustainable housing and urban development programs and projects.

It is for the foregoing reasons that early passage of this bill is earnestly requested.


RODOLFO G. BIAZON
Senator

7 JUN 30 P3:07

SENATE
S. B. No. 181

RECEIVED BY: 

Introduced by Senator Rodolfo G. Biazon

AN ACT
DEFINING THE VISION AND POLICIES OF GOVERNMENT IN THE HOUSING
AND URBAN DEVELOPMENT SECTOR, CREATING THE DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS
AND FUNCTIONS, AND FOR OTHER PURPOSES

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

CHAPTER 1
SHORT TITLE, VISION, POLICY AND PRINCIPLES

1
2
3
4 **Section 1. Short Title.** This act shall be known as the “Department of Housing and
5 Urban Development Act”.

6
7 **Section 2. Declaration of Vision and Policies.** The state shall pursue the realization of a
8 modern, humane, economically viable and environmentally sustainable society where the
9 urbanization process is manifest in towns and cities being centers of productive economic
10 activity, led by market forces; where urban areas have affordable housing, sustainable physical
11 and social infrastructure and services facilitated under a democratic and decentralized system of
12 governance; where urban areas provide the opportunities for an improved quality of life and the
13 eradication of poverty; and where there is a high degree of complementarity between urban and
14 rural communities.

15
16 **Section 3. Principles of Sector Governance.** The stipulated vision and policy shall be
17 pursued and realized in accordance with principles that will guide the definition of government
18 functions in the sector; its relationship with the private sector; the vertical compartmentalization
19 of government functions among levels of governance, national and local; and, the horizontal
20 compartmentalization of national government functions. These principles that will define and
21 delineate the functions, responsibilities and accountabilities of various national government
22 agencies are as follows:

23
24 3.1 *Steering Role of the National Government in the Sector.* The national
25 government shall perform a steering role in the urban development and housing sector. In
26 this regard it shall:

27
28 a) strengthen its role in guiding, mobilizing and facilitating in housing and
29 urban development. It shall define the urban development vision and provide a
30 housing and urban development framework that will guide the investments and
31 activities of the private sector. It shall provide policies on spatial integration,
32 urbanization, urban environmental management,
33 urban regeneration, urban land management, housing development and other
34 related concerns to facilitate private enterprise and participation. It shall formulate

1 and enforce a minimum set of standards and regulations that will ensure the
2 establishment of a level playing field in the provision of urban infrastructure and
3 services and in the locational choices of investors, and prevent urban decay,
4 congestion, diseconomies of scale and environmental degradation of urban areas;
5 and
6

7 b) provide policies that will mobilize public and private sector resources
8 toward a self-sustaining housing finance system.
9

10
11 3.2. *Continuing Devolution of Functions to Local Governments.* The national
12 government and local governments shall act as partners in housing and urban
13 development. Functions and the corresponding authority and accountability shall be
14 continuously devolved to local government units and such devolution shall be guided by
15 the following:
16

17 a) The delineation of functions between the national government and
18 local governments shall be such that inefficiencies are removed, access to public
19 services is improved, and plans, programs and services are responsive to local
20 needs and opportunities. For this purpose, functions that are location specific in
21 their benefits and costs shall, to the extent possible, be devolved to local
22 governments.
23

24 b) The determination of the proper level of government to which a
25 function will be devolved shall be determined by the extent of the geographical
26 effects of the benefits and the cost of undertaking such function.
27

28 c) Local governments shall implement national government policies in
29 their respective localities. Location specific functions that are to be devolved to
30 local governments are those that relate to the provision of public goods and
31 services. Local governments shall to the extent possible, encourage the private
32 sector to assume primary responsibility in the production of public goods.
33

34 d) Local governments shall have full autonomy in housing and urban
35 development planning and management consistent with national policies,
36 strategies and regulatory framework.
37

38 e) The national government shall be the facilitator, independent
39 monitor and performance evaluator. It shall formulate national standards and rules
40 to guide local governments in the formulation of localized standards. The
41 promulgation and enforcement of standards and regulations shall be undertaken
42 by local governments.
43
44

45 3.3. *Maximum Participation of the Private Sector and Communities in Housing
46 and Urban Development.* The government shall provide policies to maximize private
47 sector participation in housing and urban development and to mobilize public and private
48 sector resources toward a self-sustaining housing and urban development finance system.
49 The national government, through local governments, shall ensure that communities are
50 involved in the formulation of housing and urban development policies and plans that
51 will impact upon them, their livelihood and their living conditions. Full community
52 participation in housing and urban development policies, programs and projects of
53 government shall be encouraged.
54

55 3.4. *Responsiveness to the shelter needs of the urban poor communities.* The
56 government shall directly address the concerns and needs of the urban poor communities
57 by formulating the policies, providing and mobilizing resources, and designing as well as
58 implementing programs and intervention that will address urban homelessness and

1 unemployment. Government shall facilitate the establishment of a finance system that
2 enables all sectors of society to have the opportunity to access funds and facilitate the
3 provision of adequate shelter, security of tenure and appropriate infrastructure, where
4 subsidies, if provided, are transparent in nature and targeted at those in need.
5

6 *3.5. Clear Horizontal Compartmentalization and Coordination of Functions*
7 *Among National Government Agencies.* The Department of Housing and Urban
8 Development, created in this Act shall be the primary entity for policy formulation and
9 coordination of all housing and urban development functions. It shall define the
10 delineation of housing and urban development functions and responsibilities of, and
11 relationship among, national government agencies to promote efficiency and
12 effectiveness, clarify accountability, and ensure synchronization.
13

14 *3.6. Policy and Coordinating Role of the Department of Housing and Urban*
15 *Development.* The role of the Department is to support the accomplishment of the sector
16 vision and, in particular, encourage more opportunities to improve the lives of the urban
17 poor.
18

19 **CHAPTER 2**

20 **DEFINITION OF TERMS**

21

22 **Section 4. Definitions.** As used in this Act, the following terms shall mean:
23

24 4.1 Devolution - the transfer of responsibility, authority and accountability for
25 the performance of a defined function from the national government to local
26 governments.
27

28 4.2 Urban Land Management - refers to the range of government interventions,
29 including policies, incentives, regulation and titling, land use planning and zoning, land
30 development, public information and conflict resolution that will promote the
31 optimization and most efficient use of urban land, including appropriate land valuation to
32 achieve efficiency in use, promote access, support economic productivity, ensure
33 sustainable development and protect individual rights.
34

35 4.3 Land Use Plan - refers to the document, formulated by the local government
36 in consultation with its stakeholders, that defines or provides guidelines on the allocation,
37 utilization, development and management of all lands within a given territory or
38 jurisdiction according to the inherent qualities of the land itself and supportive of
39 economic, demographic, socio-cultural and environmental objectives.
40

41 4.4 Shelter - refers to the system and its components which establish the
42 residential quality of life, including housing, utilities, access to social services and other
43 community facilities, security, and other aspects related to an individual's residence.
44

45 4.5 Urban Development - pertains to the process of occupation and use of land
46 or space for such activities as residential, industrial, commercial and the like, necessary to
47 carry out the functions of urban living. It entails the building or rebuilding of more or less
48 permanent structures over land that is often withdrawn or converted from its original use,
49 resulting in the creation of a built environment;
50

51 4.6 Urban Development Planning - also called city planning or town planning,
52 is a process that involves the planning of diverse elements that comprise an urbanized
53 area, including its physical infrastructure, environment, housing, transportation, and
54 management of land use and urban growth.
55

56 4.7 Urban Renewal or Regeneration - the process of planned renewal and
57 physical as well as socio-economic revitalization of outworn, old, derelict areas of towns
58 and cities through redevelopment and rehabilitation.

1
2 4.8 Secondary Mortgage Market - refers to the system which entails purchase,
3 acquisition, discounting, or refinancing of retail loan and mortgage packages or other
4 similar instruments. Once purchased, these instruments in turn are traded in the financial
5 market through the issuance and or sale of bonds, promissory notes, debentures,
6 conveyances, and other financial instruments or participation therein, backed by the same
7 pool of mortgages and other assets.
8

9 4.9 Zoning Ordinance - refers to the set of rules, regulations and specific
10 procedures and requirements promulgated by the local government that will guide land
11 use and land development and the development of built environment within the
12 jurisdiction of the local government.
13

14 4.10 Attachment -- refers to the lateral relationship between the department and
15 the attached agency or corporation for purposes of policy and program coordination and
16 as further defined under the Administrative Code.
17
18
19

20 CHAPTER 3

21 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

22

23 **Section 5. *Creation of the Department of Housing and Urban Development.*** There is
24 hereby created the Department of Housing and Urban Development, hereinafter referred to as the
25 Department.
26

27 **Section 6. *Powers and Functions.*** The Department shall perform the following
28 functions;
29

30 6.1. Formulate the national urban development and shelter policy and strategy
31 that is consistent with the National Development Plan;
32

33 6.2. Formulate the urban development and shelter planning framework, establish
34 and operate a national urban development and shelter planning system, and develop the
35 necessary planning guidelines, procedures, and urban development standards that will
36 define and delineate the roles of all stakeholders, and guide the planning, standards
37 localization, promulgation and enforcement of rules, and service delivery programs of
38 national government and local governments, and facilitate private sector investment;
39

40 6.3. Formulate housing finance policies, and recommend and facilitate the
41 development of mechanisms that promote the establishment of a self-sustaining, private
42 sector-led housing finance system;
43

44 6.4. Formulate and implement a shelter program for urban poor communities
45 that will promote their social and economic welfare, and mobilize resources and
46 encourage stakeholder participation in the provision of urban services for the poor;
47

48 6.5. Provide assistance to, and capability building of, local governments in urban
49 development, urban regeneration and urban management in support of national policies
50 and strategies in the sector, as well as strengthen the role of independent component cities
51 and provincial governments as the primary entities for urban development planning and
52 management at the local level;
53

54 6.6. Develop and establish a sector performance monitoring and assessment
55 mechanism, and monitor and independently report on the performance of national
56 government agencies and local governments in housing and urban development sector to
57 enable continuing improvements in sector policy and strategy formulation;
58

1 6957, otherwise known as the Build-Operate-Transfer Law. Further, the Secretary shall be the
2 chairperson of the governing boards of the National Housing Authority (NHA), the Home
3 Development Mutual Fund (HDMF), the Home Guaranty Corporation (HGC) and the National
4 Home Mortgage Finance Corporation (NHMFC).

5
6
7 **Section 10. *The Undersecretary and Assistant Secretaries.*** The Secretary shall be
8 assisted by an Undersecretary and such Assistant Secretaries as may be necessary and allowed by
9 law or organizational policy of government. The Undersecretary and Assistant Secretaries shall
10 be career officers and shall be appointed by the President upon the recommendation of the
11 Secretary. They shall have the powers and functions as provided for in Section 10, Chapter 2,
12 Book IV of the Administrative Code of 1987. The Secretary is hereby authorized to delineate and
13 assign the respective functional areas of responsibility of the undersecretary and assistant
14 secretaries.

15
16 **Section 11. *Departmental Services Office.*** The Departmental Services Office,
17 under the Office of the Secretary, shall be headed by an Assistant Secretary, and shall have the
18 following services: Financial Management Service, Administrative Service, Legal and
19 Legislative Service, Research and Development Service, Public Relations and Information
20 Service, and Information and Communications Technology Service.

21
22
23 **Section 12. *Financial Management Service.*** The Financial Management Service
24 shall:

25
26 a) Formulate the medium-term and annual expenditure program for the
27 Department and prepare, execute and administer the Department's annual budget;

28
29 b) Develop and implement approaches, methodologies and procedures for
30 ensuring efficiency in the allocation and utilization of budgetary and other resources of
31 the Department;

32
33 c) Provide accounting, financial management, disbursement and cashiering
34 services to the department and ensure the submission of the appropriate financial and
35 physical performance reports and financial statements;

36
37 d) Monitor and make recommendations on the financial and physical
38 performance of the Department's programs, projects and activities; and

39
40 e) Perform such other related functions as may be assigned by the Secretary.

41
42
43 **Section 13. *Administrative Service.*** The Administrative Service shall provide the
44 Department with efficient and effective services relative to personnel, human resources
45 development, records management and custodial work, supplies and inventory management,
46 procurement, physical assets management, and other related administrative functions as may be
47 assigned by the Secretary.

48
49
50 **Section 14. *Legal and Legislative Service.*** The Legal and Legislative Service shall:

51
52 a) Provide the Department, its officials and personnel with legal counseling
53 services;

54
55 b) Provide assistance to the Secretary in handling cases affecting the
56 Department and in the investigation of administrative cases involving Department
57 personnel;

1 c) Provide assistance to the Secretary and other Department personnel in the
2 preparation of legislative proposals and legal issuances affecting the sector or the
3 Department;

4
5 d) Review and make recommendations to the Secretary on the legal and
6 legislative implications of plans, programs and activities affecting the sector or the
7 Department; and

8
9 e) Perform such other related functions as may be assigned by the Secretary.
10

11
12 **Section 15. *Research and Development Service.*** The Research and Development
13 Service shall:

14
15 a) Formulate and implement a research and development agenda and mobilize
16 public and private sector resources to generate new knowledge; develop and/or adopt new
17 technologies; identify and design new products and services, to support continuing
18 improvement in housing and urban development regulation, production and service
19 delivery;

20
21 b) Undertake continuing studies on the research and development requirements
22 of the housing and urban development sector for the purpose of, but not limited to, policy
23 development, planning and standards formulation;

24
25 c) Establish collaborative mechanisms with international and local institutions,
26 the academe and research institutions, industry, local governments and national
27 government agencies, and other entities and individuals for knowledge sharing, research
28 resources sharing, technology transfer, commercialization, and useful exploitation and
29 industry use of research and development;

30
31 d) Publish and disseminate research and development information to the public
32 to promote innovation in the various aspects of housing and urban development; and

33
34 e) Perform such other related functions as may be assigned by the Secretary.
35

36
37 **Section 16. *Public Relations and Information Service.*** The Public Relations and
38 Information Service shall:

39
40 a) Formulate and implement a public information and relations program that
41 will promote public and stakeholder knowledge of, and feedback on, the policies,
42 regulations, incentives, opportunities and programs and projects in the housing and urban
43 development sector;

44
45 b) Prepare, produce and publish materials to support such public information
46 and public relations program;

47
48 c) Establish collaborative networks for the dissemination of information and
49 generation of feedback on sectoral concerns; and

50
51 d) Perform such other related functions as may be assigned by the Secretary.
52

53
54 **Section 17. *Information and Communications Technology Service.*** The Information
55 and Communications Technology Service shall:

56
57 a) Formulate and implement an information and communications technology
58 plan for the sector that will ensure the speedy generation, organization, and processing of

1 data and production of analytic information to support planning, policy formulation,
2 performance monitoring and assessment and the transaction processing systems of the
3 Department.
4

5 b) Define the design of the integrated information systems and their functional
6 specifications, and undertake the management of the development, operation and
7 maintenance of applications;
8

9 c) Establish collaborative electronic data sharing and communications linkages
10 with other departments, agencies, industry and local government units to ensure the
11 generation of comprehensive, up-to-date and accurate data and promote their wider use in
12 decision-making;
13

14 d) Undertake continuing user training and assistance to improve computer
15 literacy and promote the sophisticated use of information technology in planning,
16 analysis, transaction processing and decision-making;
17

18 e) Be responsible for the maintenance and provision of support services to all
19 Department employees in the use of information technology;
20

21 f) Conduct continuing studies on best uses of information and communications
22 technology in the housing and urban development sector; and
23

24 g) Perform such other functions as may be assigned by the Secretary.
25
26

27 **Section 18. *Advisory Committees.*** The Secretary shall have the power to establish ad-
28 hoc advisory committees consisting of key representatives from national government agencies,
29 local governments, the private sector, urban poor communities, academe, and other marginalized
30 groups, to provide a forum for stakeholder participation and dialogue on key housing and urban
31 development issues and policies.
32

33 **Section 19. *Staffing Pattern.*** The Secretary shall prepare and implement a staffing
34 pattern for the Department proper that shall be based on an assessment of the personnel
35 requirements of the entire Department. The remuneration structure of the positions in the staffing
36 pattern shall conform to the Salary Standardization Law. The Department of Budget and
37 Management shall fund in full the staffing pattern of the Department.
38

39 The internal structure and the specific number of divisions that will comprise each of the
40 above bureaus and units under the Department shall be determined and established by the
41 Secretary.
42
43

44 **CHAPTER 5**

45 **PLANS, POLICIES AND MONITORING OFFICE**

46

47 **Section 20. *Plans, Policies and Monitoring Office.*** The Plans, Policies and
48 Monitoring Office (PPMO) under the Office of the Secretary shall be headed by an Assistant
49 Secretary and shall be the central government policy, planning and monitoring think tank for
50 housing and resettlement, and urban planning, development and regeneration. The PPMO shall
51 be responsible for the:
52

53 (a) Formulation of national housing policy, urban and regional development
54 policies, and resettlement policy;
55

56 (b) Updating of national urban development and housing framework;
57 preparation of national shelter plan and agency corporate plan;
58

1 (c) Provision of internal planning services; reviewing policies, plans and
2 programs of key shelter agencies;

3
4 (d) Conduct of research and development in housing technologies and into
5 housing and urban development;

6
7 (e) Monitoring of the effectiveness of government policies and programs in
8 housing delivery and urban development, including those of the attached agencies;

9
10 (f) Development of performance indicators for housing and urban
11 development and the formulation and development of performance indicators and
12 program targets for key shelter agencies and local governments;

13
14 (g) Monitoring of the performance of key shelter agencies against targets as
15 well as the accomplishment of the national shelter plan and adherence to the urban
16 development and housing framework;

17
18 (h) Provision of internal evaluation services to HUDCC;

19
20 (i) Integration of housing and urban development data banks with those of
21 other government agencies; and

22
23 (j) Monitoring of the performance of local government programs in housing
24 and urban development.

25
26
27 **Section 21. Bureaus under the PPMO.** The Assistant Secretary for Plans, Policies
28 and Monitoring shall supervise the following:

29
30 (1) *Plans, Policies and Programs Bureau.* The Plans, Policies and Programs
31 Bureau shall:

32
33 a) Formulate, review and update, in consultation with national
34 government agencies, local governments, private sector, communities and other
35 stakeholders, national plans, objectives and policies for housing and urban
36 development, specifically the National Urban Development and Housing
37 Framework and the National Shelter Program;

38
39 b) Establish and implement a national housing and urban development
40 planning system and coordinate the preparation and timing of the sectoral plans of
41 national government agencies with the local development plans of local
42 government units, ensuring their consistency with the National Urban
43 Development and Housing Framework, the National Shelter Program and the
44 Medium-Term Philippine Development Plan;

45
46 c) Design programs for the provision of capacity building assistance to
47 local governments in housing and urban development planning, investment
48 programming, formulation of zoning ordinances, plan administration and
49 performance assessment;

50
51 d) Formulate policies and design interventions that will directly address
52 the shelter concerns of the urban poor communities, including the formulation of
53 guidelines on eviction and relocation;

54
55 e) Standardize planning data and sector information requirements under a
56 uniform data classification and storage and through geographic information
57 systems;

1 f) Formulate a foreign-assisted projects framework consistent with the
2 Urban Development and Housing Framework, National Shelter Program and
3 Sector Public Investment Program;
4

5 g) Formulate an effective monitoring and performance evaluation system
6 and undertake the overall monitoring and performance assessment of foreign-
7 assisted housing and urban development projects of the Department, its attached
8 agencies and other national government agencies, local government units, and
9 other entities;
10

11 h) Establish project management units to manage and coordinate the
12 implementation of foreign assisted projects of the Department, where necessary;
13

14 i) Provide technical assistance to project management and
15 implementation offices and units of foreign-assisted projects of the Department in
16 the facilitation of project implementation in accordance with approved policies
17 and schedules; and
18

19 j) Perform such other functions as may be assigned by the Secretary.
20
21

22 (2) *Monitoring and Evaluation Bureau.* The Monitoring and Evaluation
23 Bureau shall:
24

25 a) Monitor and evaluate the performance of the sector particularly on
26 the consistency of programs, projects and activities of national government
27 agencies, local government units, industry and other stakeholders with the
28 National Urban Development and Housing Framework, National Shelter Strategy,
29 sector public investment programs and policies of the department;
30

31 b) Develop and operate a sector performance monitoring and
32 evaluation system, and monitor, evaluate and independently report on the
33 performance of the sector and that of local governments, industry, national
34 government and other key sector stakeholders;
35

36 c) Recommend changes and coordinate action needed to ensure the
37 accomplishment of the objectives of the National Urban Development and
38 Housing Framework, National Shelter Strategy, sector public investment
39 programs and the policies of the department;
40

41 d) Regularly monitor the corporate and operational performances of
42 all the organic bureaus, attached agencies and corporations, and make
43 recommendations thereon; and
44

45 e) Perform such other related functions as may be assigned by the
46 Secretary.
47
48
49

50 (3) *Housing Finance Development Bureau.* The Housing Finance
51 Development Bureau shall:
52

53 a) Formulate policies to encourage a sustainable market-oriented
54 housing finance system to ensure adequate flow of private funds into the primary
55 and secondary mortgage markets;
56

1 a) Formulate, review and update national policies and standards,
2 guidelines and regulations relative to land use for implementation and
3 enforcement by local government units;
4

5 b) Develop urban development planning and urban development, land
6 use, zoning and urban management standards and guidelines for the formulation
7 of local development plans, land use plans and zoning ordinances, and for local
8 development administration and urban management by local governments,
9 ensuring the integration of the spatial and socio-economic aspects of
10 development, promoting consultation and consensus, and improving development
11 quality;
12

13 c) Formulate national standards and regulation relative to the
14 development of condominium and subdivision projects which will serve as guide
15 for the enforcement of such regulation by the provincial governments and
16 independent cities;
17

18 d) Formulate zoning and other land use standards and guidelines
19 which shall govern: the development and implementation of local land use plans
20 and zoning ordinances of municipalities and component cities; the zoning
21 components of civil works and infrastructure projects of the national, regional and
22 local governments located within the geographical jurisdiction of the province or
23 independent component city; subdivision or estate development projects of the
24 public and private sectors; and urban renewal plans, programs and projects;
25 *Provided*, That these standards and guidelines shall respect the classification of
26 public lands for forest purposes as certified by the Department of Environment
27 and Natural Resources;
28

29 e) Monitor, evaluate, investigate and independently report on the
30 performance of local governments, the private sector, and other stakeholders in
31 the aspects of housing development, land use management, and their regulation;
32

33 f) Issue rules and regulations to enforce land use policies as prescribed
34 by existing laws on land use and such other laws regulating the use of land,
35 including the regulatory aspect of the Urban Land Reform Act and all decrees
36 relating to the value of land and improvements and their rental, in their respective
37 geographical areas of jurisdiction;
38

39 g) Develop and install a housing and land use development oversight
40 monitoring system and undertake reserve compliance monitoring function deemed
41 vital by the Secretary.
42

43 h) Formulate and implement real estate consumer education and
44 protection programs; and
45

46 i) Perform such other related functions as may be assigned by the
47 Secretary.
48
49
50
51

52 (2) *Urban Land Management and Regeneration Bureau.* The Urban Land
53 Management and Regeneration Bureau shall be responsible to:
54

55 a) Formulate urban land management, renewal and regeneration
56 policies, strategies, concepts, and models; mobilize community support and create
57 the governance mechanisms, incentives and disincentives and other modes of
58 intervention to mobilize public and private sector resources;

1
2 g) Coordinate the housing and urban development planning process in the
3 regions to ensure the delivery of various services such as titling, issuance of permits for
4 subdivision plans, the provision of social and livelihood services, and other services
5 related to housing and urban development;

6
7 h) Maintain a regional database and information system for the sector in the
8 region;

9
10 i) Undertake a public information program to provide the industry, general
11 public and other stakeholders with information on national and local government policies,
12 regulations and programs, as well as to establish a consultative mechanism to serve as a
13 forum for continuing planning and evaluation of settlement programs and projects;

14
15 j) Implement, monitor and evaluate policies, rules and regulations governing
16 resettlement, relocation, eviction or demolition of the homeless and underprivileged and
17 recommend appropriate action thereon;

18
19 k) Ensure that local government units institute preventive measures against
20 squatting and address other concomitant problems such as rural to urban migration;

21
22 l) Monitor and evaluate the implementation of government programs and
23 projects which would require housing provision and/or relocation and resettlement
24 activities, and recommend appropriate action thereon;

25
26 m) Administer homeless assistance or advances/grants to LGUs, NGOs and
27 private communities for temporary and emergency housing, in response to man-
28 made and natural calamities;

29
30 n) Implement innovative, clearly defined, transparent and on-budget housing
31 subsidy mechanisms for the homeless and underprivileged in the regions to enhance
32 accessibility to housing;

33
34 o) Registration of incorporation of homeowners associations and condominium
35 corporations; and

36
37 p) Perform such other functions as may be assigned by the Secretary.
38
39

40 CHAPTER 8 41 ATTACHED AGENCIES

42
43 **Section 26. *Attached Agencies and Corporations.*** The following agencies and
44 corporations are hereby attached to the Department for policy and program coordination:
45

46 26.1 National Housing Authority (NHA);

47 26.2 Housing Guarantee Corporation (HGC);

48 26.3 National Home Mortgage Finance Corporation (NHMFC);

49 26.4 Home Development Mutual Fund (HDMF); and

50 26.5 Housing and Urban Development Adjudication Commission (HUDAC).

51 **Section 27. *National Housing Authority (NHA).*** The National Housing Authority
52 shall remain as the sole national government arm for shelter production and shall institute such
53 programs and approaches that will promote housing provision for low-income families. It shall
54 encourage private sector participation in socialized housing production and assist local
55 governments in building capabilities for the implementation of local housing programs and
56 projects.
57

1 33.5. To hold any person in contempt, directly or indirectly, and impose
2 appropriate penalties thereof;

3
4 33.6. To impose administrative fines and /or penalties for violation of this Act,
5 the Urban Development and Housing Act and other laws implemented by the
6 Commission, including pertinent rules and regulations, orders, decisions and/or rulings:
7 *Provided*, That the maximum fines or penalties to be imposed shall not exceed Five
8 Hundred Thousand Pesos (P500,000.00): *Provided further*, That the Commission may
9 adjust such rates not more than once every three (3) years;

10
11 33.7. To determine and order the payment by the losing party of the cost of the
12 litigation incurred by the winning party and prescribe the manner in which such payments
13 shall be made;

14
15 33.8. To deputize any law enforcement agency in the execution of its final
16 orders, rulings or decisions; and

17
18 33.9. To exercise such other powers as implied, necessary, or incidental to
19 carrying out the express powers granted to the Commission or to achieve the objectives
20 and purposes of this Act, and other laws implemented by the Commission.

21
22 The Chairperson, aided by the Executive Clerk of the Commission, shall have
23 administrative supervision over the Commission and its regional branches and all its personnel
24 including the Housing and Land Use Arbiters.

25
26
27 **Section 34. *Composition and Qualification of Members.*** The Commission shall be
28 composed of a Chairperson and fourteen (14) full-time Members to be appointed by the
29 President, majority of whom shall be members of the Philippine Bar while the others shall have a
30 background or experience in urban development planning, development and implementation of
31 shelter programs for urban poor communities, management, architecture, civil engineering, and
32 other related fields. They must have been engaged in the practice of their respective professions
33 or specialization or employed in an appropriate office for a period of at least five (5) years. In
34 addition, no person who has been convicted of a crime involving moral turpitude shall be
35 appointed as members of the Commission.

36
37 The Commission may sit en banc or in five (5) divisions, each composed of three (3)
38 members. Subject to the penultimate sentence of this paragraph, the Commission shall sit en
39 banc only for purposes of promulgating rules and regulations governing the hearing and
40 disposition of cases before any of its divisions and regional offices and formulating policies
41 affecting its administration and operations. The Commission shall exercise its adjudicatory and
42 all other powers, functions, and duties through its divisions. Of the five (5) divisions, the first,
43 second and third divisions shall handle cases coming from the National Capital Region and parts
44 of Luzon. The fourth and fifth divisions, cases from the Visayas and Mindanao, respectively:
45 *Provided*, That the Commission sitting en banc may, on temporary or emergency basis, allow
46 cases within the jurisdiction of any division to be heard and decided by any other division whose
47 docket allows the additional workload and such transfer will not expose litigants to unnecessary
48 additional expense: *Provided further*, That the Commission shall designate one (1) division to
49 hear and resolve cases involving eviction and relocation of urban poor communities. Each
50 division of the Commission shall have exclusive appellate jurisdiction over cases within its
51 territorial jurisdiction.

52 The concurrence of two (2) Commissioners of a division shall be necessary for the
53 pronouncement of judgment or resolution. Whenever the required membership in a division is
54 not complete and the concurrence of two (2) Commissioners to arrive at a judgment or resolution
55 cannot be obtained, the Chairperson shall designate such number of additional Commissioners
56 from the other divisions as may be necessary.

57

1 The conclusions of a division on any case submitted to it for decision shall be reached in
2 consultation before the case is assigned to a member for the writing of the decision. It shall be
3 mandatory for the division to meet for purposes of the consultation ordained therein. A
4 certification to this effect signed by the Presiding Commissioner of the division shall be issued
5 and a copy thereof attached to the record of the case and served upon the parties.
6

7 The Chairperson shall be the Presiding Commissioner of the first division and the four (4)
8 other senior members shall be the Presiding Commissioners of the second, third, fourth and fifth
9 divisions, respectively. In the case of the absence or incapacity of the Chairperson, the Presiding
10 Commissioner of the Second Division shall be Acting Chairperson.
11

12 The Chairperson, aided by the Executive Clerk of the Commission, shall have
13 administrative supervision over the Commission and its regional branches and all its personnel
14 including the Executive Housing and Land Use Arbiters and Housing and Land Use Arbiters.
15

16 The Commission, when sitting en banc shall be assisted by the Executive Clerk and,
17 when acting through its Divisions by the Division Clerk, respectively, who shall perform such
18 similar or equivalent functions and duties as are discharged, by the Clerk of Court and Deputy
19 Clerk of Court of the Court of Appeals.
20

21 **Section 35. Term and Compensation.** The Members of the Commission shall be
22 appointed for a term of six (6) years without prejudice to reappointment after said term shall
23 have expired. The Chairperson and Members of the Commission shall receive an annual salary at
24 least equivalent to that of, and be entitled to the same allowances and benefits as, an
25 Undersecretary and Assistant Secretary of the Department, respectively.
26

27 The incumbent full-time Commissioners of the present HLURB shall remain in office
28 unless they opt to avail of the retirement and separation benefits provided in Section 50 of this
29 Act or are sooner removed for cause.
30

31 **Section 36. Housing and Land Use Arbiters, Qualifications, Powers and Functions.**
32 The qualifications, powers and functions of the Housing and Land Use Arbiters shall be as
33 indicated hereunder:
34

35 36.1. The Secretary, upon recommendation of the Chairperson of the
36 Commission, shall appoint Housing and Land Use Arbiters as the needs of the service
37 may require for each administrative region.
38

39 36.2. No person shall be appointed Housing and Land Use Arbiter unless he/she is
40 a member of the Philippine Bar with at least three (3) years experience or exposure in the
41 field of real estate and land use development cases;
42

43 36.3. The Housing and Land Use Arbiters shall receive an annual salary at least
44 equivalent to that of, and be entitled to the same allowances and benefits, as an Assistant
45 Regional Director of the Department.
46

47 36.4. The Housing and Land Use Arbiters shall have original and exclusive
48 jurisdiction to hear and decide cases enumerated in Section 35 of this Act.
49
50
51

52 **Sec. 37. Jurisdiction.** The Housing and Land Use Arbiters shall exercise original and
53 exclusive jurisdiction to hear and decide cases involving the following:
54

55 37.1. On Real Estate -
56

57 a) Unsound and fraudulent real estate business practices;
58

- 1 b) Claims for refund against project owners, developers, dealers, brokers
2 *and salespersons;*
3
4 c) Specific performance of contractual and statutory obligations filed by
5 buyers of subdivision lots or condominium units against the owner, developer,
6 dealer, broker or salespersons;
7
8 d) Squatting on subdivision lots;
9
10 e) Eviction and relocation of squatter communities;
11
12 f) Disputes involving buyer-financing agreements with any financing
13 institution for condominium/subdivision projects;
14
15 g) *Disputes involving easements or right of way* arising from the
16 development of subdivision and housing projects;
17
18 h) Disputes between: (1) land owners and developers, and (2) banks and
19 developers, whenever the interest of buyers of subdivision lots, or house and lots,
20 or condominium units are involved;
21
22 i) Releases of mortgage titles of subdivision lots and condominium units;
23
24 j) *Disputes involving easement of waterways, drainage, connections and*
25 *light and view arising from the development of subdivision and housing projects;*
26
27 k) Disputes involving homeowners associations and condominium
28 corporations, whether intra corporate or inter corporate;
29
30 l) Claims of broker/salesmen for unpaid commissions for
31 condominium/sub-division projects;
32
33 m) Other related cases arising from contractual or statutory obligations of
34 owners, dealers, brokers or salesmen towards lot or unit buyers; and
35
36 n) Regulation of the relationship between residential lessors and lessees
37 that are governed by the Rent Control law.
38

39 37.2. On Housing and Land Use Planning and Regulation - Decisions and actions
40 of: (1) local housing boards or provincial governments, highly urbanized
41 independent component cities and the cities and municipalities of Metro Manila;
42 (2) regional and local physical planning and zoning bodies, including zoning
43 boards of adjustment and appeals on complaints alleging violations of local
44 zoning ordinances not involving land conversion issues; and (3) provincial and
45 component independent city governments with respect to applications relative to
46 applications with opposition, petitions or complaints for revocation of clearances,
47 permits and licenses issued and issuance of Cease and Desist Orders and
48 administrative fines.
49

50 37.3. On Shelter Rights - Violations of administrative rules and regulations
51 implementing Sections 18 and 28 of Republic Act 7279, otherwise known as the
52 Urban Development and Housing Act.
53

54 The Commission shall have exclusive appellate jurisdiction over all cases decided by the
55 Housing and Land Use Arbiters.
56

57 **Section 38. *Criminal Prosecution.*** Criminal prosecution for violation of housing laws
58 and regulations shall be instituted before regular courts with appropriate jurisdiction.

1 authority and accountability, in accordance with the principles of sector governance stipulated in
2 this Act.

3
4 **Section 45. Devolution of Rule Enforcement Functions to Provinces and Independent**
5 **Component Cities.** The following regulatory functions of the Housing and Land Use
6 Regulatory Board as provided for in Executive Order No. 648, dated 07 February 1981 as
7 amended by Executive Order No. 90, dated 17 December 1986, are hereby devolved to
8 provincial governments, independent component city governments and the cities and
9 municipalities of the Metropolitan Manila Area: *Provided*, That all rule promulgation and
10 enforcement functions and activities of local government units, are in accordance with the
11 prescribed regulatory framework and policies as well as guidelines issued by the Department:
12

13 45.1. Review, evaluate and approve or disapprove comprehensive local
14 development plans, local land use plans and zoning ordinances of component cities and
15 municipalities; the zoning components of civil works and infrastructure projects of
16 national, regional and local governments; subdivision, condominium or estate
17 development projects including industrial estates, of the public and private sectors; and
18 urban renewal and regeneration plans, programs and projects; *Provided* that the review
19 and approval of such comprehensive local development plans, local land use plans and
20 zoning ordinances shall respect the classification of public lands for forest purposes as
21 certified by the Department of Environment and Natural Resources; and *Provided* that the
22 classification of specific alienable and disposable lands by the Bureau of Lands shall be
23 in accordance with the relevant zoning ordinance of the local government where such
24 lands are located; and the provisions of RA 6657 with regard to the lands distributed, and
25 issued notice of coverage under the Comprehensive Agrarian Reform Program (CARP)
26 as certified by the Department of Agrarian Reform; *Provided, Further*, that nothing in this
27 Section shall be construed as repealing, amending or modifying in any manner, the
28 provisions of RA 6657.
29

30 45.2. Registration of subdivision lots and condominium projects; issuance of
31 license to sell subdivision lots and condominium units in the registered units; approval of
32 performance bond and the suspension of license to sell; approval or mortgage on any
33 subdivision lot or condominium unit made by owner or developer; granting of permits for
34 the alteration of plans and the extension of period for completion of subdivision or
35 condominium projects, subject to the standards and requirements of the Department;
36

37 45.3. Impose fines and penalties as may be allowed under existing laws or
38 Department policies, and guidelines;
39

40 45.4. Conduct public hearings and consultations on the promulgation of
41 regulation;
42

43 45.5. Formulate and adopt rules and procedures for rule enforcement;
44

45 45.6. Provide information to the Department necessary in the monitoring of
46 local urban development and housing in accordance with the report content and
47 formatting guidelines of the Department; and
48

49 45.7. Perform such other related regulatory functions as may be provided for by
50 law.
51

52 **CHAPTER 11** 53 **TRANSITORY PROVISIONS**

54 **Section 46. Transfer of Functions.** The following functions are hereby transferred as
55 stipulated hereunder:
56

57 46.1. The rule, standards and guidelines formulation functions of the Housing
58 and Land Use Regulatory Board is hereby transferred to the Department, while its rule

1 promulgation and enforcement functions are hereby transferred to the provincial
2 governments, independent component cities and to the cities and municipalities
3 comprising the Metropolitan Manila Area.
4

5 46.2. The registration of incorporation of homeowners associations and
6 condominium corporations are hereby transferred to the regional offices of the
7 Department.
8

9 **Section 47. *Formulation of Regulatory Framework and Devolution Implementation***
10 **Program.** The Department shall formulate a regulatory framework and design the necessary
11 policies, standards, guidelines and procedures to guide the rule promulgation and enforcement
12 functions of provincial governments, independent component cities and the cities and
13 municipalities of the Metropolitan Manila Area. The Department shall formulate and implement
14 a devolution plan which shall include a multi-year capacity building program, and technical
15 assistance services for the institutional capacity development of provincial governments,
16 independent component cities and the cities and municipalities of the Metropolitan Manila Area
17 and the gradual transfer of regulatory functions, and the turnover of the pertinent records and
18 transactions to the pertinent local governments which should be completed within Five (5) years
19 from the effectivity of this Act.
20

21 **Section 48. *Abolition and Conversion of Agencies.*** The following dispositive actions
22 shall be implemented within six (6) months from the effectivity of this Act:
23

24 48.1. The Housing and Urban Development Coordinating Council. Its functions,
25 assets, equipment, funds, choses in action, records and pertinent transactions, shall be
26 transferred to the Department. The employees of the abolished Council may be
27 transferred and absorbed by the Department subject to its staffing pattern and the
28 selection process as prescribed under Republic Act No. 6656 on the Rules on
29 Government Reorganization.
30

31 48.2. The Housing and Land Use Regulatory Board is hereby converted to and
32 renamed as the Housing and Urban Development Adjudication Commission. Its assets,
33 equipment, funds, personnel, pertinent records, choses in action, and pertinent
34 transactions of the Board are hereby transferred to the Commission. The Commission
35 shall formulate and complete its internal organic structure and its regional offices,
36 staffing, operating systems and procedures and new budget within six (6) months from
37 the effectivity of this Act.
38

39 **Section 49. *Transfer of Rights, Assets and Liabilities.*** The Department shall, by virtue
40 of this Act, be subrogated to all rights and assume all the liabilities of the Housing and Urban
41 Development Coordinating Council and all other agencies of the government whose functions
42 and powers have been transferred to the Department, and all their pertinent funds, records,
43 property, assets, equipment and such personnel, as may be necessary, including unexpended
44 portions of their appropriations, except the assets, pertinent funds, records, property, assets,
45 equipment and personnel of the Housing and Land Use Regulatory Board.
46

47 **Section 50. *Transition Period.*** All transfer of functions, assets, funds, personnel,
48 equipment, property, transactions and personnel in affected national government agencies and
49 the formulation and implementation of the internal organic structures, staffing patterns, operating
50 systems and revised budgets of the Department and the Commission, shall be completed within
51 six (6) months during which existing personnel shall continue to assume their posts in holdover
52 capacity.
53

54 **Section 51. *Impact Mitigation Strategy.*** The Secretary shall formulate and implement
55 respective impact mitigation strategies of the Department and its attached agencies/corporations
56 that will minimize adverse effects on existing personnel of the creation or modification of
57 organization structures and staffing of the Department and its attached agencies, in accordance
58 with pertinent provisions of the Civil Service Code, the Administrative Code, and pertinent

1 budgetary rules and regulations. Employees separated from the service as a result of the abolition
2 or reorganization under the provisions of this Act shall, within one (1) month from their
3 separation, receive a separation pay equivalent to one hundred fifty percent (150%) of their
4 monthly basic salary for every year of service in the government: *Provided*, That those who are
5 qualified to retire under existing retirement laws shall be allowed to retire and be entitled to all
6 benefits provided under said retirement laws and shall receive said benefits within ninety (90)
7 days from their separation from service.

8
9 **Section 52. *Formulation of Implementing Rules and Regulations and Other***
10 ***Implementation Mechanisms.*** The following implementing rules and regulations (IRR) shall be
11 prepared and issued as indicated hereunder:

12
13 52.1. The Implementing Rules and Regulations for the operationalization of the
14 Commission and the conversion of the HLURB into the Commission, within sixty (60)
15 days upon approval of this Act.

16
17 52.2. The Implementing Rules and Regulation for the creation of the
18 Department, the abolition of the HUDCC and the transfer and refocusing, as the case may
19 be, of the attached agencies, within sixty (60) days upon approval of this Act.

20
21 52.3. The promulgation of the rules and regulation governing the hearing and
22 disposition of cases and other adjudication functions of the Commission, within six (6)
23 months after the constitution of the Commission.

24
25 52.4. The Urban Development Planning System, and the corresponding
26 implementing guidelines, to be completed and operational within six (6) months upon
27 approval of this Act and the updated Housing and Urban Development Framework and
28 Plan completed within one (1) year upon approval of this Act.

29
30
31 **CHAPTER 12**
32 **IMPLEMENTING AUTHORITY AND FUNDING**

33
34 **Section 53. *Implementing Authority.*** The Secretary of the Department and the
35 Chairperson of the Commission are hereby authorized to undertake the implementation of the
36 provisions of this Act and implement the necessary organizational changes within the specified
37 six (6)-month transition period.

38
39 **Section 54. *Authority of Attached Agencies to Reorganize.*** The boards of attached
40 corporations and agencies and the Chairperson and Commissioners of the Commission are
41 hereby authorized to make the necessary changes and improvements in their respective internal
42 formal structures, operating systems, staffing and budget configuration in order to implement the
43 newly mandated or refocused mandates and functions stipulated in this Act.

44
45 **Section 55. *Protection of Security of Tenure by Affected Personnel.*** The existing
46 authority granted pursuant to the preceding two Sections shall be governed by the provisions of
47 RA 6657 and relevant civil service rules and regulations in order to protect the security of tenure
48 of personnel who shall be affected by the reorganization.

49
50 **Section 56. *Funding.*** The initial funding for the implementation of this Act shall come
51 from the unreleased balances of the budgets of the HUDCC and the HLURB. All such other
52 amounts necessary further needed for the implementation of this Act shall be released by the
53 Department of Budget and Management within 30 days upon submission by the Department and
54 the Commission of their respective budget estimates.

55
56
57 **CHAPTER 13**
58 **MISCELLANEOUS PROVISIONS**

1
2 **Section 57. *Mandatory Review of the Implementation of this Act.*** The Department shall
3 conduct and submit a report to Congress a review of the implementation of this Act at the
4 national government level at the end of the second year of its effectivity and a review of the
5 devolution of functions to local governments at the end of the fifth year of its effectivity.

6
7 **Section 58. *Repealing Clause.*** All laws, executive orders, proclamations, rules,
8 regulations, and other issuances or parts thereof which are inconsistent with the provisions of this
9 Act are hereby repealed, amended or modified accordingly.

10
11 **Section 59. *Separability Clause.*** If for any reason, any portion or provision of this Act is
12 declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue
13 to be in full force and effect.

14
15 **Section 60. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication in
16 at least two (2) newspapers of general circulation.

17
18 Approved,